

Part II

The Nation's Business

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Number 6—Part II

Pan American Financial Conference

An Illustrated Review
of the Trade Data Brought by the Latin Americans
and the Results of the Conference



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Permanent Constructive Results

Strong Committees Appointed by the Secretary of the Treasury to Continue the Work on a Permanent Basis

International High Commission on Uniform Laws Affecting Pan American Trade and Commerce

Each country represented at the Conference will appoint a number of commissioners to form the International High Commission on Uniform Laws affecting Pan American Trade and Commerce, which is to meet at Buenos Aires, November 1, 1915. The following are the American members of the Commission:

Hess, William G. McAdoo, Secretary of the Treasury, Chairman.
Hon. John Bassett Moore, Vice-Chairman, Columbia University, New York.
John H. Bailey, Pres. Chamber of Commerce of the United States, Boston.
Hon. D. R. Francis, St. Louis.
E. H. Gary, Chairman of Board, U. S. Steel Corporation, New York.
A. B. Hepburn, Chase National Bank, New York.
George M. Reynolds, Pres. Continental and Commercial National Bank, Chicago.
Henry P. Davison, J. P. Morgan & Co., New York.
Samuel Untermyer, New York.
Dr. Leo S. Rowe, Secretary-General, Univ. of Pa.

Arbitration in Pan American Trade

(See article on page 10.)

Special Committee in Charge of Return Visit of American Financiers and Business Men to Latin America

A motion of the Uruguayan Minister of Finance to invite American bankers and business men to make a return visit to Latin America was adopted unanimously by the members of the Conference. Arrangements for fixing the date and other details of the visit are in charge of the following committee:

Farrell, James A., Chairman, President U. S. Steel Corporation, New York.
Barrett, Hon. John, Director General, Pan-American Union.
Black, D. P., Pres. Chamber of Commerce, Pittsburgh.
Goodwin, Elliot H., Secretary, U. S. Chamber of Commerce, Washington, D. C.
Henry, S. T., Vice-Pres. McGraw Publishing Co., New York City.
Kies, W. S., New York.
Pachin, Robert, Foreign Trade Council, New York.
Shirley, James J., F. A. Gillespie Co., New York.
Wardlaw Edwin, Fidelity Trust Company, Baltimore.
Straight, Willard, J. P. Morgan & Co., New York.
Clausen, John, Crocker National Bank, San Francisco.

Permanent Group Committees

The eighteen committees of American members, one of which was appointed to confer with each of the foreign delegation, have been made permanent bodies to study and improve relations with each Latin American republic, as follows:

Argentina

Straight, Willard D., Chairman, J. P. Morgan & Co., New York.
Farrell, James A., President, U. S. Steel Corporation, New York.
Ford, Henry, Pres. Ford Motor Company, Detroit.
McCormick, Cyrus, International Harvester Co., Chicago.
Vanderlip, Frank A., Pres. National City Bank, New York.

Bolivia

Grace, Joseph F., Chairman, W. R. Grace & Co., New York.
Bipps, W. P., Treas. National Cash Register Co., Dayton.
O'Neil, J. P., Pres. Fulton Foundry Co., St. Louis.
Pepper, Charles M., Washington, D. C.
Richards, George H., Remington Typewriter Co., New York.

Brazil

Hammond, John Hays, Chairman, New York.
Forgan, J. B., First National Bank, Chicago.
Rice, E. W., Pres. General Electric Company, New York.
Lage, Frederick, Mechanics & Metals National Bank, New York.

Chile

Dodge, Cleveland H., Chairman, New York.
Bacon, Hon. Robert, New York.
Duval, G. L., Wessel, Duval & Co., New York.
Kinley, David, University of Illinois, Urbana, Ill.
Roskoff, John J., Treas., E. I. du Pont de Nemours Powder Co., Wilmington.

Colombia

Norris, George W., Chairman Philadelphia, Pa.
Coster, Morris, Westinghouse Co., New York.
Shepherd, W. R., Columbia University, New York.
Simmons, Wallace D., St. Louis.
Williams, R., Lancaster, Baltimore, Md.

Costa Rica

Barle, J. W., Chairman, Remington Typewriter Co., New York City.
Grant, H. C., Grassell Chemical Co., New York.
Keith, Minor C., Pres. United Fruit Company, New York.
Parker, Walter, Gen. Mgr., New Orleans Chamber of Commerce, New Orleans.
Acerts, G. A., Rudolph Wurlitzer & Co., Cincinnati.

Cuba

Brown, F. O., Chairman, Redmond & Co., New York.
Fuller, Paul, Coudert Bros., New York.
Harrison, Fairfax, Pres., Southern Railway Company, Washington, D. C.
Taylor, G. C., Pres. American Express Co., New York.
Speyer, James, New York.

Dominican Republic

Hollander, Prof. J. H., Chairman, Johns Hopkins University, Baltimore.
Falconer, Charles A., Pres. Merchants & Manufacturers Association, Baltimore.
Jennings, F. B., Stetson, Jennings & Russell, New York.
Marshall, W. H., American Locomotive Co., N. Y.
Penny, David H. G., Vice-Pres. Irving National Bank, New York.

Ecuador

O'Neil, Joseph H., Chairman, Federal Trust Co., Boston.
Eaton, Frederick H., Pres. American Power & Foundry Co., New York.
Herr, E. M., Pres. Westinghouse Electric & Mfg. Co., East Pittsburgh.
Lipe, W. H., Vice-Pres. Beech Nut Packing Co., Cannobbio.
White, J. G., J. G. White & Co., New York.

Guatemala

Francis, David R., Chairman, St. Louis.
Johnson, Alta R., Pres. Baldwin Locomotive Works, Philadelphia.
Clausen, John, Crocker National Bank, San Francisco, Cal.
Ruperti, J., Amsinck & Company, New York.
Woolfin, Wm. H., American Car & Foundry Co., New York.

Honduras

Armstrong, John S., Chairman, Baltimore.
Gathright, Owen, Vice-Pres. Harbison & Gathright, Louisville.
Manning, W. E., Secy., Youngstown Sheet & Tube Co., Youngstown.
Sachs, Samuel, Goldman, Sachs & Co., New York.
Thayer, H. B., Pres. Western Electric Company, New York.

Nicaragua

Sanders, W. L., Chairman, Pres. Ingersoll-Rand Co., New York.
Brown, James, Brown Bros., New York.
Wexler, Sol., Whitney Central National Bank, New Orleans.
Harnecker, L. O., Pres. Singer Sewing Machine Co., New York.
Numsen, George H., Pres. National Canners Assn., Baltimore.

Panama

Schoonmaker, S. L., Chairman, American Locomotive Works, New York.
Crean, T. F., Remington Typewriter Co., New York.
Gladding, J. W., Vice-President; E. C. Atkins & Company, Indianapolis.
Mullford, H. K., Pres. H. K. Mulford Co., Philadelphia.
Rhett, R. G., Charleston S. C.

Paraguay

Pierson, Lewis E., Chairman, Pres. Austin Nichols & Co., New York.
Mabbos, Robert F., American National Bank, Atlanta.
Marron, John R., Pres. Atlas Portland Cement Co., New York.
Muehlin, Charles, American Locomotive Co., New York.
Pachin, Robert H., Secy., National Foreign Trade Council, New York.

Peru

Fahey, John H., Chairman, Pres. Chamber of Commerce of the United States, Boston.
Babson, Roger W., Boston.
Butterworth, William, Pres., Deere & Co., Moline, Ill.
Guggenheim, Daniel, Pres. American Smelting Co., New York.
Mitchell, Capt. C. D., Pres. Chattanooga Plow Co., Chattanooga.

Salvador

Rowe, W. S., Chairman, Pres. First National Bank, Cincinnati.
Given, T. H., Pres. Farmers' Deposit & National Bank, Pittsburgh.
Goodwin, Elliot H., Sec. Chamber of Commerce of the United States, Washington, D. C.
Malina, George S., Corn Products Refining Co., New York.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington, D. C.

Uruguay

Wheeler, Harry A., Chairman, Vice-Pres. Union Trust Company, Chicago.
Deans, H. G. P., Merchants Loan & Trust Company, Chicago.
Kies, W. S., National City Bank, New York.
Thomas, E. P., Pres. United States Steel Products Company, New York City.
Wing, Daniel G., Pres. First National Bank, Boston.

Venezuela

Craze, Charles R., Chairman, Chicago.
de Lima, E. A., New York.
Potter, W. C., Guaranty Trust Co., New York.
Schiff, Mortimer L., Kuhn, Loeb & Co., New York.
Wilson, Wm. P., Commercial Museum, Philadelphia.

Note: At the time of going to press all of those designated above had not signified their acceptance of the appointment made by Secretary McAdoo. Consequently, some changes may be made in the permanent make-up of the various committees.

Contents---Part II

Portrait Secretary McAdoo	Cover
Permanent Constructive Results	2
The Pan American Financial Conference, by Secretary McAdoo	3
Group Photograph at White House	4
Story of the Conference, with illustrations	6
Reports of the Larger Committees	11
Commercial Arbitration with Argentina	12
Map of South America	12
Argentina	13

Brazil	14
Chile	15
Colombia	16
Bolivia	17
Ecuador	17
Peru	18
Uruguay	19
Venezuela	20
Paraguay	20
Map of Central America	21

Costa Rica	22
Honduras	22
Guatemala	23
Nicaragua	24
Salvador	25
Panama	26
Dominican Republic	26
Cuba	27
Principal Addresses	28, 29, 30
Organization of the Conference	31

The Pan American Financial Conference

An Illustrated Review of the Trade Data Brought by the Latin Americans and the Results of the Conference

WASHINGTON, MAY 24 29, 1915

Compiled by
BASIL MILES

Assistant Secretary General of the Conference and Chief of Division of the Chamber of Commerce of the United States

The Pan American Financial Conference

Its Meaning and the Hopes It Holds Out

Prepared Especially for *The Nation's Business* by

HON. WILLIAM G. McADOO

Secretary of the Treasury

THE Pan American Financial Conference, which recently concluded its sessions in Washington, demonstrated conclusively that the trade, commerce, and financial influence of the United States with Central and South America can be increased to predominant proportions if we have the intelligence, enterprise and courage to immediately take advantage of our rare opportunity.

The Conference was composed of forty-three delegates, representing all the countries of South and Central America, as well as Cuba and the Dominican Republic, and more than one hundred and fifty of the strongest bankers and business men of the United States. For an entire week the distinguished foreign representatives and these able men of the United States discussed the important questions affecting our commercial relationships with the Latin-American countries, and arrived at some very practical and important conclusions.

The South American delegates, particularly those from Argentina, Brazil, Chile, Uruguay, Peru and Ecuador, came to this country convinced that the most essential thing for the extension of American trade and commerce in the South American continent, is the prompt establishment of sufficient steamship service with reasonable rates, between the leading ports of the United States and the leading ports of South America. Some of them frankly stated that increased trade between this country and theirs is manifestly impossible without sufficient ocean transportation facilities. The shipping question became, wholly unexpectedly, the most important question before the conference.

Vital Importance of Transportation

Upon the suggestion of the delegates from Argentine Republic, a committee on ocean transportation was appointed. This committee consisted of representative men of South America and the United States. Upon its report the conference unanimously adopted the following resolution:

RESOLVED, That it is the sense of this conference that improved ocean transportation facilities between the countries composing the Pan-American Union have become a vital and imperative necessity, and that every effort should be made to secure at the earliest possible moment such improved means of ocean transportation, since it is of primary importance to the extension of trade and commerce and improved financial relations between the American republics.

It is of great value to have learned from these delegates from South America (because no one can tell of their needs so certainly as themselves) that the greatest impediment to trade with the United States is the lack of sufficient steamship lines. The conference could not, of course, adopt any plan for the creation of the necessary merchant marine. The delegates from the foreign countries had no power to commit their governments. It is hardly to be expected that private capital in South America can be enlisted in steamship enterprises, in view of the fact that the South American countries have been great sufferers from the European war, and are themselves in need of new financial connections and accommodations. Obviously this problem must be solved by private capital in the United States itself, if we wish to become the leading bankers for Latin-America and possess ourselves of the great trade they offer us.

We have been told so often that private capital

in the United States will not engage in shipping enterprises under our present laws or without government subsidies or government aid in some form or other, that we cannot expect prompt relief or any relief from that source. Perhaps it is true that our laws do put our capitalists at a disadvantage in the matter of steamship enterprises, and perhaps they are fully justified in not engaging in such enterprises. No one desires to quarrel with them on this subject. What the country demands is relief and if they cannot supply it, the government must. If our laws could be changed so radically as private capital has indicated that it will require, or even if steamship subsidies or governmental subventions could ultimately be secured, it would be at the end of a long fight, and even then there would be no guarantee or assurance that private capital on a sufficiently large scale could be enlisted promptly so that the steamship facilities upon which enlargement of our trade and commerce with South America wholly depend, would be quickly supplied.

Development of Steamship Lines

The development of steamship lines through private enterprise will be a slow and tedious process at best. In the meantime the magnificent opportunity this country now has to secure a dominant position in the trade, commerce and finance of South America will have disappeared. By that time, or long before that time, peace in Europe will have been restored and our competitors, the chief industrial nations of Europe, will reassert themselves and re-entrench themselves in the markets of South America.

The shipping bill, which would have passed the last Congress but for the successful filibuster in the Senate, authorized the Government to take all the stock, if necessary, in a private corporation, to be organized for the purpose of operating ships to South America. This company was to be organized and operated upon the same plan as the Panama Railroad Company, the entire capital stock of which is owned by the Government of the United States. The Panama Company, with the United States as sole stockholder, has been operating a line of steamships between New York and the Isthmus of Panama for more than ten years. These ships have been successfully operated; they have been profitably operated; they have been beyond political control. In fact, politics have never entered into the management of the Panama Steamship Line. The proposed plan was simply an extension of the Panama Steamship idea.

There is a vast difference between the government owning and operating directly a steamship line and being merely the principal or sole stockholder in a private corporation operating a steamship line. In the case of direct government ownership and operation the danger of political influence and control is a proper objection. It is also more difficult for shippers to assert claims against the government, to say nothing of other complications which might arise from the direct intervention of the sovereignty of the government. But it is not necessary to elaborate these points here. None of these objections arises when the government is a mere stockholder in a private corporation. The government chooses the directors of the private corporation and they, in turn, choose its officers, men who are experts and best qualified for their positions, and the of-

ficers choose the most competent staff of employees and operate the corporation upon business principles, free of political complications of any kind.

Had this bill passed in the last session of Congress, much would already have been accomplished in the extension of our trade and financial relationships with South America. It is certain that we will never be able to establish ourselves securely in those markets until we have a reliable steamship service under the American flag, with regular sailings and reasonable rates for freight and passengers, backed by enough financial power to make the shippers in South America and in the United States have faith in the permanency and sufficiency of the service to justify them in making the necessary capital expenditures to promote larger commercial and financial intercourse.

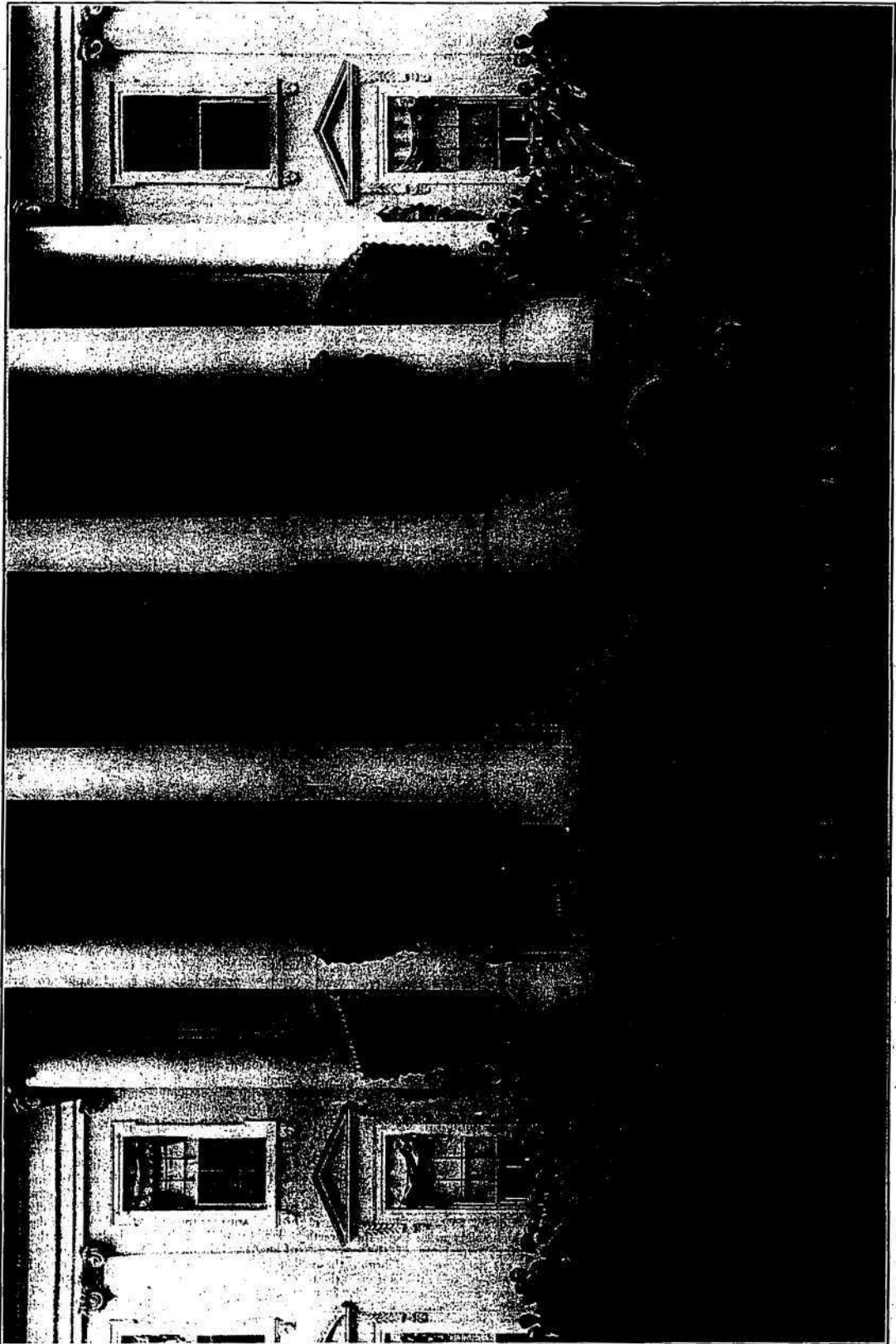
"A Shipping Corporation"

I have given a great deal of thought to this vitally important question, and I have been forced to the conclusion that the only practical, and the only prompt solution, is for the Government of the United States to take stock in a shipping corporation, as proposed in the last Congress. By no other means can we get sufficient financial power quickly behind the enterprise; by no other means can our merchants, manufacturers and financiers be guaranteed the necessary steamship facilities to enable them to build up a profitable business in competition with the people of the other great industrial nations of the world.

In the presence of such a great opportunity as we now have to strengthen our commercial, financial and political relations with all the other nations of the Western Hemisphere, from which will flow immeasurable blessings to present and future generations of all the nations of the American continent, why can we not dismiss partisan bias and partisan considerations and deal with this question in the broad, direct, practical, prompt and effective manner so characteristic of the American people?

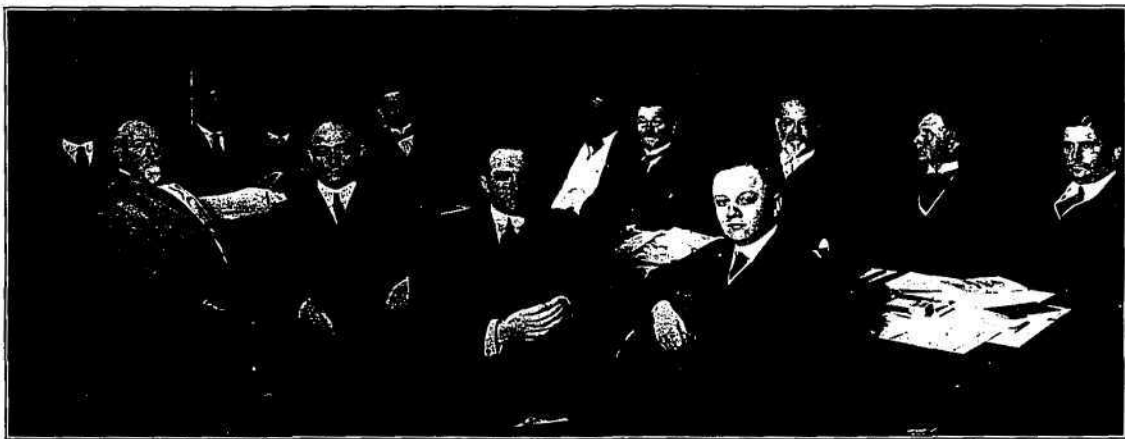
We have reached that point in our economic development where foreign markets are daily becoming more and more essential to our prosperity. We have only to turn our minds back to the months immediately following the outbreak of the European war, when our foreign commerce was almost wholly stopped for several months, to realize what the maintenance of our foreign trade means to the welfare and happiness of our people. We have been able to get along in the past with a relatively small foreign commerce. Therefore, we have been able in the past, without serious jeopardy to our interests, to depend upon the flags of other nations for the carriage of our foreign commerce. In the keen contests of the future, however, with the other industrial nations of the world for trade in competitive markets, the salvation and security as well as the expansion of our foreign trade will depend absolutely upon a merchant marine under the American flag.

What could more impressively argue the cause of an American merchant marine than the recent happenings in the zone of naval warfare in Europe? The only neutral flag that commands any respect in these waters is the flag of the United States. The Stars and Stripes alone give assurance of safety to those who sail the seas. And yet the number of our ships is so pitifully small that the legitimate needs of our people and



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THE FINANCIERS, BANKERS, AND CAPTAINS OF INDUSTRY OF LATIN AMERICA AND THE UNITED STATES, AND THE OTHER VISITORS TO THE PAN AMERICAN FINANCIAL CONFERENCE, AFTER THE WHITE HOUSE RECEPTION ON MAY 24. (In the front row, to President Wilson's right, are Secretary Bryan, (who on June 8 resigned his portfolio), Secretary Daniels, the Argentine Ambassador, Senor Naon, and Senor Aldao. To the President's left is the Secretary of the Treasury, who called the Conference. The background is the famous South Portico of the White House. The faces of all the other representatives and distinguished visitors are shown in this picture).



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THE GROUP CONFERENCE OF URUGUAY—ONE OF THE EARLIEST TO ORGANIZE—SHOWING THE URUGUAYAN DELEGATES AND THE CONFERENES OF THE UNITED STATES.

of our commerce cannot be supplied under our flag. We must submit to the perils of shipping under belligerent flags or abandon our lawful commerce and stay on American soil until the war is over. No one will seriously contend that we should do the latter. Not only do we need an ample American Merchant Marine, for our commerce. We must have it as a naval auxiliary in time of war. The effectiveness of our navy is reduced, I am told, twenty-five per cent for want of suitable and adequate naval auxiliaries. Where could we get them if such a misfortune as war should overtake this country?

We hear a great deal about "dollar exchange." But how can "dollar exchange" compete successfully with "sterling exchange" when the latter has such great advantage of time in transit? Interest on items in transit is an essential element in the cost of exchange. If it takes ten days to draw on London as against twenty days or more to draw on New York, London has a very decided advantage. Our Federal Reserve Act has put our bankers in position to capture for the United States the financial supremacy of the world. But we cannot take it, and shall never be able to take it, unless we have adequate shipping facilities. I believe that we shall never get such facilities until the Government puts its power behind them. An adequate merchant marine is the supreme need of the hour. The Congress can supply it and will supply it if public opinion will assert itself.

The Chamber of Commerce of the United States can exercise a great influence upon this question. Soon its members are to vote upon a referendum involving several plans for a merchant marine. My earnest hope is that they will divest themselves of all political bias, consider each plan on its merits, select the one which they are convinced is the only practical one for creating quickly a reliable and strong merchant marine under the Stars and Stripes, and vote for it.

If the Pan-American Financial Conference has done nothing else than to awaken the American people to the acuteness and vital importance of the shipping problem, that alone is a valuable achievement.

But this is not the only thing the Conference did. The report of the Committee on Uniform Laws relating to matters which vitally affect trade between the various Central and South American countries and the United States, showed that many laws and regulations of a needlessly irritating and obstructive character exist. These undoubtedly can be removed by intelligent co-operation between all the nations concerned.

Permanent Committees Suggested

In order to vigorously prosecute the work thus begun for the elimination of irritating and obstructive laws and regulations, and to bring about uniform laws respecting commercial paper, bills of lading, classification of merchandise, customs regulations, consular certificates and invoices, port charges, regulations for commercial travelers, protective legislation for trade marks and patents and copy rights, etc., it was recommended

that an International High Commission be immediately appointed to take charge of these important matters. It was suggested that the Minister of Finance, or Secretary of the Treasury, of each country appoint a commission of nine members, also that the Finance Ministers act as chairmen of such commissions. The Secretary of the Treasury will appoint such a commission for the United States and will act as its chairman. I have suggested to each of the countries that a meeting of the International High Commission be held on the 1st of November next, in the city of Buenos Aires, and that, in the meantime, each commission set to work on the report submitted to the Conference.

The Group Conferences

One of the features of the Conference which worked most happily and satisfactorily was the division of the representatives of the United States into eighteen committees, and the assignment of one of these committees to each of the countries represented in the Conference. By this means the delegates of each South and Central American country were brought into close contact with a committee of the strongest financial and business men of the United States, where the problems of each country could be talked out at close range in an intimate and confidential way. These meetings were called "group conferences."

The result of this plan was so satisfactory that a large number of the foreign delegates requested me to appoint permanent group committees in the United States to act as the medium through which they might secure reliable information or submit matters for the consideration of financiers, merchants or manufacturers in the United States. I have determined to appoint these group committees, and the names will be announced at an early date. They will, of course, have no official status, but will act as voluntary organizations for the purpose of fostering closer financial and commercial relations between the United States and Central and South American countries.

These committees will serve until the next Pan American Financial Conference, in 1916, or until relieved from further service by the Secretary of the Treasury of the United States. I have suggested that the delegates of each Latin American nation continue to act as a group committee for their respective countries.

The delegates from Uruguay suggested that a representative body of our business men and financiers should make a return visit to South America in the near future. This suggestion was unanimously endorsed by the Conference. I think it is an excellent idea and believe that such a visit would produce very happy and satisfactory results.

I believe that an annual Pan American Financial Conference in Washington will prove of immense advantage to all the Republics of the American Continent. I am going to ask the President to strongly recommend to the next Congress of the United States that authority for the calling of such a conference be given, and that a sufficient appropriation be granted to carry on the work.

Many of the foreign delegates expressed themselves as heartily and unqualifiedly in favor of the annual Financial Conference. Certainly such conferences will greatly stimulate the development of commercial, financial and social relationships between the various countries and undoubtedly strengthen them.

I think the City of Washington is the best place for the annual sessions of the proposed conference, because it is, on the whole, the most convenient place, and it is certain that a larger attendance of our important financiers and business men can be secured in Washington than elsewhere. Moreover, the Pan American Union has a beautiful building in Washington, with exceptional facilities for such meetings. It is highly desirable too that there shall be the fullest co-operation between the Pan American Financial Conferences and the Pan American Union. To make these Pan American Financial Conferences a permanent feature of our relations with our great and growing sister republics in South and Central America, will, in my judgment, have the happiest possible effect in promoting the material development and strengthening the friendly relations between the nations of the Western Hemisphere.

Most conferences prove disappointing because they end in talk. After they adjourn, it is usually the case that nothing more is heard of them. We do not intend to let the great practical results promised by this conference slip away for lack of proper attention. We must apply the "follow-up" system to the beginning we have made. Business men know what that means. Let me summarize the plans for future work:

First. Hold each year at Washington a Pan American Financial Conference, thus making it a part of our fixed policy with the nations of South and Central America.

Second. Let the Finance Ministers of the countries concerned immediately appoint an International High Commission, and fix a meeting of that commission in Buenos Aires, for November 1, 1915, to agree upon plans, and to press measures for uniformity of such laws as will promote commercial and financial intercourse.

Third. Appointment by the Secretary of the Treasury of the United States of group committees composed of prominent bankers and business men of the United States to keep in touch with each country of South and Central America. Delegates of each country should be requested to continue to act as group committees for their respective countries.

Fourth. Appointment by the Secretary of the Treasury of a committee of representative Americans, to arrange for a visit of prominent bankers and business men of the United States to all the Latin American countries in response to the invitation extended by unanimous vote of the conference.

I am sure that these plans, intelligently executed, will bear abundant fruit. The conference has already produced results of great value to all of the participating nations. The future is full of promise.



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PRESIDENT WILSON WELCOMING THE MEMBERS OF THE CONFERENCE AT THE OPENING SESSION IN THE HALL OF THE AMERICAS.

The Story of The Conference

What Brought it About, What Happened at the Meetings, and the Permanent Results Achieved

EVERY one has now become familiarized with war conditions. Last summer, however, no one had recovered from the shock of seeing the leading civilized nations of Europe engaged in a life and death struggle which showed a constantly increasing tendency to overlook or overthrow any established usages or practices which stood in the way of their demand for military success. The progress of the war has been kaleidoscopic and each of the pictures which have passed before the eyes of people in this country has been strange and unfamiliar. Consequently, even after more than ten-months a sense of paralysis still comes over anyone who tries to analyze just what is happening.

The invasion of Belgium and the distressed conditions of its inhabitants which first ensued, brought into immediate prominence the humane feelings which characterize the people of the United States, and which have never yet allowed themselves to be obscured. At the same time home questions of commerce and business could not be ignored and indeed obtruded themselves with more and more insistence. After the question of bringing home American tourists, who had been surprised in the war zone, had been solved, the question still remained of shipping enough American gold to Europe to finance our obligations. As is shown in a speech of Mr. Warburg of the Federal Trade Commission, which is summarized in the succeeding pages of this number, much of the necessity to liquidate our obligations was due to the fact that Great Britain has been the great lending nation of the world in the past, and on the outbreak of the war made a call upon her creditors for some settlement of at least part of their debts. In this matter the Secretary of the Treasury intervened naturally as the official representing that department of the government primarily concerned with the financial operations of the country.

Some Economic Reasons

No sooner had some solution been found for the adjustment of our foreign obligations, than another equally important question became pressing. England and Germany have, between them, consumed enormous quantities of the cotton produced in the United States. Some of the latest figures available show that in recent times England has purchased over \$230,000,000 worth of

American cotton and Germany over \$80,000,000 worth a year. The purchasing of this cotton figured prominently in our financial relations with foreign countries as constituting a large and important credit on the part of the United States. Further than this, the prosperity of many people here was dependent upon operations connected with the growing and marketing of this crop. Another extremely important element of our foreign trade has been the exportation of grain. Here also the situation was much the same as with regard to cotton. As the movement of these two staple products is necessarily based upon a number of financial transactions involving questions of foreign exchange, the Secretary of the Treasury again had this matter naturally brought for-

cibly to his attention in the early days of the war.

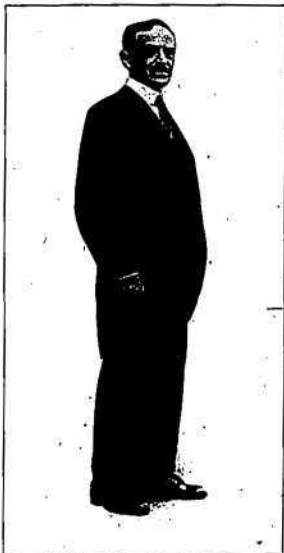
And so he came to consider the South American situation which was becoming acute. The development of Argentina has been largely financed by English capital, and the trade of the principal European countries now at war with the larger republics of Central and South America has been a vital matter for the latter. The outbreak of hostilities, however, as long as German cruisers menaced British shipping, imperiled much of the commercial intercourse between Europe and Latin America, and the extraordinary financial demands of the belligerents had for a time a disastrous effect upon the Latin American countries which depended for their main channels of financial intercourse upon the money markets of London, Paris, and Berlin.

Here was a situation in which the United States might logically play its part in the development of Pan American prosperity. As early as the first part of November, the Secretary of the Treasury, therefore, took up with the Secretary of State the propriety of calling a Pan American Financial Conference which should have for its main purpose the solution of the many problems which had resulted from the complete dislocation of normal channels of trade. Just before Christmas Mr. Bryan was able to inform Mr. McAdoo that informal inquiries, which had been made, indicated clearly that practically all of the Latin American Republics would view such a conference with favor.

Calling of the Conference

The next move was to secure the approval of the President, and this was done without difficulty, so that, on January 15, the Secretary of the Treasury was able to address a letter to the chairman of the committee on foreign relations of the Senate, and the chairman of the committee on foreign affairs of the House, asking for an appropriation of \$50,000 to defray the cost of the conference, which should include representatives from all the American republics, and have for its purpose the discussion of practical means and measures for readjusting and improving the financial relations of the countries of North and South America.

The appropriation was authorized by Congress on March 4th, and a few days afterwards formal invitations to a conference to convene May 10



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DR. LEO S. ROWE, THE SECRETARY GENERAL.

were issued through the Department of State. Every one of the countries invited sent cordial acceptances. It so happened that two of them,



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THE SECRETARY OF STATE, THROUGH WHOM THE INVITATIONS WERE ISSUED.

Haiti and Mexico, owing to disturbed internal conditions which have resulted in the United States Government being unable to recognize any established government in those republics, could not be included in the official invitations.

The date of the conference had to be postponed until May 24 owing to the unexpected illness of Secretary McAdoo; but, when the conference convened on this latter date, eighteen of the twenty Latin American republics were represented by delegations which included such distinguished public men as the Vice-President of one of the republics, the Secretary of State of another and the Ministers of Finance of a number of others. In every single case the guests were leaders either officially or as private citizens in the financial affairs of their respective countries.

There is no necessity to overlook, indeed it should be clearly recalled, that the first financial conference dealing with Pan American affairs assembled in Washington January 7, 1891, and

was known as the International American Monetary Conference. It followed the first general Pan American Conference which met in Washington during the winter of 1889-1890. The Pan American Financial Conference which has just concluded is thus a logical development of previous meetings of representatives of the republics of America. The success of these preceding meetings without doubt has contributed largely to the cordial and immediate response made in every case to Secretary McAdoo's invitation.

The fact that the Pan American Financial Conference has attained a measure of success proportionate to the extraordinary demands of the situation, unquestionably owes much to the gradual and steady development of the Pan American idea that the republics of the western hemisphere are naturally bound together by ties of commercial interest and inter-dependence as well as by political ideals and a republican form of government. It has taken twenty-five years and the pressure of a great world crisis to bring to fruition the seed which was planted and has been cultivated by the gradually developed association of the Latin American republics with the United States.

Organization of the Conference

As the Conference was called by Mr. McAdoo to discuss practical questions, it was essential that it should be organized on a practical basis.



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THE ASSISTANT SECRETARY OF THE TREASURY, ANDREW J. PETERS, "GENERAL MANAGER" OF THE CONFERENCE.

Consequently, he gave much consideration to securing a Secretary General to assist him in the management of the Conference, who should be already thoroughly familiar with Latin America, its problems and its languages. By a happy choice he was able to obtain from the University of Pennsylvania the services of Dr. Leo S. Rowe, a professor in that University, and President of the American Academy of Political and Social Science, and who is already widely known in all republics of Central and South America not only for his exhaustive knowledge of conditions, but for his fluent and accurate command of Spanish.

Instead of having a series of general sessions confined to eloquent speech making and public discussions, the actual results of which might prove somewhat ephemeral, it was decided to supplement such a scheme by a series of group meetings. Secretary McAdoo realized that each country had its own distinctive problems which did not necessarily relate to those of its neighbors. Manifestly the specific problems of each country could not be debated with advantage or benefit in general public sessions.

In order, therefore, to give each country an opportunity to discuss its own difficulties with frankness and freedom and an assurance of special interest, the American members of the Conference were divided into eighteen commit-

tees. One of these committees was assigned to each of the countries represented. This brought about a series of group conferences where the



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THE SECRETARY OF THE TREASURY, WHO INVITED THE LATIN AMERICANS.

problems and difficulties of each country were discussed with representative bankers and business men of the United States informally and effectively, and with the sole object of securing practical and tangible results.

This plan enabled each group committee, which had its sole interests centered in one country, to make a practical analysis and report accordingly. Consequently when the Conference was opened, in the white marble building of the Pan American Union, on the morning of Monday, May 24, by a graceful address of welcome on the part of the President of the United States, the plan of proceedings had already been crystallized on a business basis. The eighteen republics sent forty-five official delegates. To confer with these distinguished visitors practically two hundred of the leading bank-



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THE GOVERNOR OF THE FEDERAL RESERVE BOARD, CHARLES S. HAMLIN.



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PROF. JOHN BASSETT MOORE, EMINENT AUTHORITY ON INTERNATIONAL LAW.



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PRESIDENT WILSON LEAVING THE PAN AMERICAN BUILDING AFTER HIS ADDRESS OF WELCOME (TO HIS RIGHT IS JOHN BARRETT, DIRECTOR GENERAL OF THE PAN AMERICAN UNION; TO HIS LEFT, MR. W. F. SANDS, ONE OF THE ASSISTANT SECRETARIES GENERAL OF THE CONFERENCE).

ers and merchants of this country had accepted Secretary McAdoo's invitation.

The speech of the President of the United States was followed by a cordial address on the part of the Secretary of State, who pointed out that only on exceptional occasions such as the present were foreign visitors in this country first welcomed personally by the President instead of by his representative in foreign affairs, the Secretary of State. One member of each of the foreign delegations in turn then responded to the remarks of the President and Mr. Bryan, expressing, in the happiest terms, the pleasure which their respective governments had had in delegating them to attend a Conference of such unique importance.

How the Sessions Were Conducted

President Wilson sat at the right of Secretary McAdoo, who presided at all the general sessions, while the foreign visitors were making their responses, and as soon as the speeches were concluded, proceeded to the White House. The session then adjourned and all the members of the Conference, together with such members of their families as were with them, followed the President to the White House, where he received them in the Blue Room, and afterwards was photographed with them on the steps of the south portico overlooking the lovely gardens which surround the executive mansion. This photograph is reproduced on another page. After lunch, the second general session of the Conference opened at half past two with an address by Secretary McAdoo, in which he explained the ambitions he entertained as to the results which would accrue from the deliberations of the delegates, and the plan of proceedings which he had adopted. Mr. McAdoo was followed by addresses on the part of the Postmaster-General and the Secretary of Commerce after which he announced the makeup of the various group committees whose deliberations were to form such an important element of the proceedings. The session then adjourned.

Monday evening an official reception, with music, dancing and supper, was tendered to the members of the Conference and the diplomatic corps, by the Secretary of State and the Secretary of the Treasury, in the Pan American building, which was very beautifully decorated for the occasion. A number of official and personal friends of the Secretary of State and the Secretary of the Treasury were also invited, so that the total attendance amounted to almost one thousand.

Tuesday morning the third general session was held, with addresses by the Governor of the Federal Reserve Board, Mr. Hamlin, and one of his colleagues, Mr. Warburg, and a number of the distinguished foreign visitors.

The session adjourned a little before one o'clock in order that some of the foreign delegates might attend a luncheon given in their honor by the Secretary of State.

In the afternoon of Tuesday, May 25, the more practical side of the Conference began. Although the general sessions and principal entertainments of the delegates were most appropriately held in the beautiful building of the Pan American Union, the headquarters of the foreign visitors was located in the Shoreham Hotel, and here each delegation had assigned to it a special committee room. A large part of the first floor of the hotel was given up to the eighteen committee rooms assigned to each country where the foreign delegations welcomed the committees of American business men appointed to confer with them. The chairman of

each foreign delegation acted as chairman of his group committee and was able to welcome the American members of the group committee as a host his guests. The group committee meetings were continued Wednesday morning, interrupted only by a reception tendered to the members of the Conference by the Argentine Ambassador on the occasion of the 105th anniversary of Argentine independence.

After a luncheon, given by the Secretary of State to those of the foreign delegates whom he had not entertained the previous day, the group committee meetings were continued on Wednesday afternoon. Towards evening, at a time when Washington and its surroundings are assuming their most lovely aspect, the delegates were taken by automobile to the Chevy Chase Club, where a tea was given in their honor by the Federal Reserve Board.

On Thursday morning the fourth general session was held in the Pan American Union, and addresses made by the chairman of the Federal Trade Commission, Mr. Davies, the Director General of the Pan American Union, Mr. Barrett, and other members of the Conference. At this session the plan for the permanent establishment of improved steamship communication with South America, particularly with countries on the eastern coast, Argentina, Uruguay and Brazil, assumed great prominence. Additional addresses were made by Mr. Suay, one of the delegates from Salvador, Mr. Triana of Colombia, Mr. J. J. Arnold of Chicago, and others.

After a luncheon tendered to the members of the Conference by Secretary McAdoo, the President put his yacht, the Mayflower, at their disposal, and they were taken down the Potomac on an excursion to Mount Vernon, returning a little before nine o'clock in the evening.

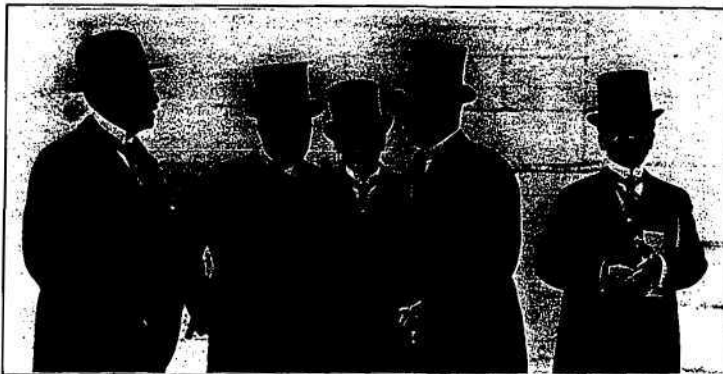
On Friday morning the group conference committees continued their meetings and got their reports in final form for presentation at the fifth general session which was held Friday afternoon, May 28. The reports of the committees were generally presented at this session and analyzed by Mr. John Bassett Moore, a distinguished authority on international law, who has already achieved a national reputation as Assistant Secretary of State and Counselor on the Department of State. For the entertainment of the delegates after the conclusion of the general session Friday afternoon, they were the guests of the Secretary of War, Mr. Garrison, at Fort Myer, where an official drill of the troops was held in their honor.

The final session of the Conference was fixed for Saturday morning, May 29, but the reports of the committees precipitated so many questions of interest that the session was prolonged after a brief interval for luncheon, until five o'clock in the afternoon, when the guests were received by Mrs. John B. Henderson, wife of the late Senator Henderson, who took such an active part in the first Pan American Conference in 1889. The entertainment of the delegates concluded with an elaborate banquet Saturday night, given by Secretary McAdoo in the Hall of the Americas in the Pan American Union, and a luncheon tendered in their honor by the Assistant Secretary of the Treasury and Mrs. Andrew J. Peters at "Woodley," their beautiful residence on the outskirts of the city.

Some Results Already Realized

The tangible results of the Conference were illustrated in a scheme of permanent organization, reports of committees dealing with greater uniformity of law, arbitration of commercial disputes and improved ocean transportation, which are set forth in the pages of this special number of THE NATION'S BUSINESS, together with an analysis of the actual work accomplished by the group committee of each country. It is, therefore, unnecessary here to say more. Commercial arbitration, once established, will relieve disputes and disagreements between exporters and importers from the delay and expense of proceedings of law, and constitutes an epoch making event in international trade as does also, in Pan American affairs, the organization on a permanent basis of machinery to carry out in fact the results of the Conference.

The detailed proceedings are now in course of printing, and will be published officially by Secretary McAdoo. In the meanwhile the general facts of the Conference and the accomplishments of tangible importance resulting from it are reviewed in this number, and have been compiled from official sources.



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A TYPICAL GROUP OF DELEGATES FROM THREE OF THE LEADING COUNTRIES, ARGENTINA, CHILE AND ECUADOR. (THE THREE ON THE LEFT ARE MR. VERGARA BULNES, MR. IZQUIERDO, AND MR. VILLANUEVA, OF CHILE; ON THE EXTREME RIGHT, MR. JUAN CUEVA GARCIA, OF ECUADOR, AND NEXT HIM, DR. ALDAO, OF ARGENTINA.)

Reports of General Committees

Practical Suggestions and Findings of the Larger Committees

UNIFORM LAWS.

THE Secretary of the Treasury, in his first address to the Conference, expressed his intention to appoint a committee representing each country to consider the question of uniform laws to govern trade and commerce in the western hemisphere and report before the close of the meetings. This was in line with the earlier suggestion of Secretary McAdoo in the preliminary program sent to all delegates before their arrival in Washington and outlining the general topics which might receive special consideration. Before the conclusion of the Conference all of the group committees had endorsed proposals to secure greater uniformity in laws affecting trade and commerce, including regulations concerning consular invoices, customs entries, and bills of exchange, one of committee going so far as to suggest that each country appoint special permanent committees to study problems affecting trade and finance and report at intervals to the Secretary of the Treasury and to the Chamber of Commerce of the United States.

The result of the deliberations of the committee on uniform legislation and arbitration was clearly set forth in their report, prepared by a sub-committee, which rehearsed the subjects in which greater uniformity is desirable and then outlined a plan for obtaining practical results as follows:

I. SUBJECTS.

"The subcommittee has not taken into consideration the subject of transportation, which should, in its opinion, be kept separate and distinct and be dealt with independently.

The subjects which should, in the opinion of the subcommittee, be dealt with in the report of the committee to the conference are:

1. The establishment of a gold standard of value.

2. Bills of exchange, commercial paper, and bills of lading.

(Note the results of the two-European conferences on these subjects.)

3. Uniform (a) classification of merchandise, (b) customs regulations, (c) consular certificates and invoices, (d) port charges.

(See the report adopted by the Fourth International American Conference, at Buenos Aires, 1910.)

4. Uniform regulations for commercial travelers.

Consider in this relation the question of a certificate to be issued by the proper department of the Government of the country from which the traveler comes that the bearer is a bona fide commercial traveler, this certificate to be properly issued:

5. To what extent further legislation may be necessary concerning trade-marks, patents, and copyrights.

(See the treaties adopted by the Fourth International American Conference.)

6. The establishment of a uniform low rate of postage and of charges for money orders and parcels post between the American countries.

7. The extension of the process of arbitration for the adjustment of commercial disputes.

II. ORGANIZATION.

1. That for the purpose of carrying into effect the resolutions of the conference, and particularly for bringing about uniformity of laws on the subjects embraced in those resolutions, there be established an international high commission to be composed of not more than nine members resident in each country, to be appointed by the minister of finance of such country. The aggregate members thus appointed shall constitute the commission.

2. That for the purpose of aiding the International High Commission and coordinating its work there be created in the Pan American Union a bureau, whose chief shall receive a salary of not less than \$5,000 (gold) per annum; and it is recommended that, in view of his initiative in bringing about the conference, the governing

board of the Pan American Union invite the Hon. William G. McAdoo, Secretary of the Treasury of the United States, to suggest the name of the first chief of this bureau. Expenses of the bureau, including the salaries of the chief and his assistants, to be paid by the Pan American Union, in whose budget a corresponding increase shall be included.

3. The American governments are requested to instruct their diplomatic and consular officers and their commercial attaches to cooperate with the International High Commission and with the bureau.

The bureau shall be authorized to obtain in each country such expert assistance as may be necessary to the prosecution of its work, the expenses thus incurred to be treated as a part of the expenses of the bureau.

4. The bureau shall make to the governing board of the Pan American Union, for distribution among the Governments concerned, and to the International High Commission, an annual report.

The bureau shall make to the next International American Conference a full report of its proceedings up to that time, with recommendations as to future work.

(Signed)

Chairman, WILLIAM C. REDFIELD, Sec. of Commerce.

Samuel Hale Pearson.....	Argentina.
Ignacio Calderon.....	Bolivia.
Amaro Cavalcanti.....	Brazil.
Luis Izquierdo.....	Chile.
Santiago Perez Triana.....	Colombia.
Roberto Ancizar.....	Colombia.
John M. Keith.....	Costa Rica.
Pablo Desvernine y Galdos.....	Cuba.
Francisco J. Peynado.....	Dominican Republic.
Vicente Gonzalez.....	Ecuador.
Juan S. Lara.....	Guatemala.
Leopoldo Cordova.....	Honduras.
Pedro Rafael Cuadra.....	Nicaragua.
Ramon F. Acevedo.....	Panama.
William Wallace White.....	Paraguay.
Isaac Alzamora.....	Peru.
Alfonso Quinones.....	Salvador.
Carlos Maria de Pena.....	Uruguay.
Pedro Rafael Rincones.....	Venezuela.

Members Representing the United States.

Charles S. Hamlin.....	George H. Nimsen.
John Barrett.....	W. L. Saunders.
D. R. Francis.....	Willard Straight.
John Bassett Moore.....	Benjamin Strong, Jr.
John Hays Hammond.....	Samuel Untermyer.

Transportation and Communication

On of the first suggestions made in open sessions of the Conference was that of Mr. Samuel Hale Pearson, Chairman of the Argentine delegation, who urged that a special committee be appointed to consider means of improving transportation and communication. Discussion of the question brought out the fact that this was a problem which affected primarily the more distant countries, Argentina, Brazil and Uruguay, on the Atlantic, and Chile, Ecuador and Peru on the Pacific. Communication with Central America and even with Colombia and Venezuela is already practically adequate for present needs. Consequently, when it came to the appointment of a general committee on transportation Secretary McAdoo named the delegations of Argentina, Brazil, Chile, Ecuador, Peru and Uruguay to confer with nine of the American members of the Conference.

A sub-committee prepared a report in two parts which was signed by all the members of the Committee and which treats as separate propositions communications between the United States and the countries on the Atlantic side and on the Pacific side. These reports are of such an interesting character that the text of them is given in full:

"Your committee on transportation and communication resolved that a subcommittee to be composed of one member from each of the South American countries represented on the general committee, confer and report back any plan or plans for the inauguration of more regular, rapid, frequent, and up-to-date communication between these countries and the United States which seemed to them practical of accomplishment.

This subcommittee composed of Messrs. Aldao Cavalcanti, Gonzalez, Alzamora, Cosio, and Vergara, submitted two reports, one signed by Messrs. Aldao, of Argentina; Cavalcanti, of Brazil; and Cosio, of Uruguay, and the other by Mr. Vergara, of Chile.

These two reports are designated respectively as "A" and "B."

Report "A," submitted to the general committee on transportation and communication by Messrs. Aldao, Cavalcanti, and Cosio:

The Pan American Financial Conference begs to suggest the advisability of calling for bids not later than December 31, 1915, for the establishment of a regular line of fast mail steamers between United States ports and Rio de Janeiro, Montevideo, and Buenos Aires, under the following conditions:

Steamers to have at least 10,000 tons displacement; to make at least two trips per month, with accommodations for at least 150 first-class cabin passengers; with refrigerating arrangements; and to complete the trip between United States ports decided upon and Buenos Aires, pier to pier, in not more than 15 days.

Bidders to state the compensation demanded and the period of the contract.

As part of the compensation for services rendered, said vessels to be exempt for five years from all fiscal charges in the respective countries and to enjoy all facilities granted to any other vessels.

Bids to be acted upon within three months and preference to be given, all other conditions being similar, to whoever will provide for earlier inauguration of the service.

The Governments of the respective countries to agree upon the proportionate charges to be paid by each and upon all other details.

(Signed) ALDAO,
CAVALCANTI,
COSIO.

Report "B," submitted to the general committee on transportation and communication by Vergara, of Chile:

In the conference of to-day of the subcommittee the Secretary of Finance of Uruguay, Dr. Cosio; the delegate of Argentina, Dr. Aldao; and the undersigned delegate of Chile formulated three separate projects for the establishment of fast maritime transportation between the interested countries.

In view of this fact and of the circumstance that the delegates of Colombia, Venezuela, Panama, and the Republics of Central America had expressed in the general meeting of the conference that their respective countries for the present have no interest in the proposed question it was agreed:

(a) That there should be only two lines of fast steamers; one to serve the ports of Brazil, Uruguay, and the Argentine Republic, and the other to serve Ecuador, Peru, and Chile.

(b) That the conditions affecting said lines are different.

(c) That the delegates from countries on the east coast of South America and the delegate from Chile should present their views on the question separately.

The delegate of Peru, Dr. Alzamora, stated that, notwithstanding he concurs in the proposition of the delegate of Chile, he is unable to sign this report, because he has no instructions from his Government, having been accredited to the conference by cable.

The delegate of Ecuador, Dr. Gonzalez, approves the general idea of the Chilean delegate, but he can not sign the report, lacking the necessary authorization from his Government.

The delegate of Chile is of opinion that the conference may, nevertheless, recommend to the interested Governments that the need for a fast maritime transportation service between the ports of South and North America may be obtained as follows:

(1) By the organization of a large company, subscription to the capital of which may be made by the public, the balance of the stock, if any, to be taken by the Government of the United States

and the Governments of those Latin-American Republics interested in a proportion to be agreed upon.

(2) The company to be incorporated under the New York laws, but the steamers to be registered in the different countries in proportion to the capital subscribed, and shall fly the flag of said country.

(3) For the purposes of customs laws the steamers to be considered as of the nationality of the port, except the coastwise trade, in those countries where that trade is reserved for nationals.

(4) The vessels to fulfill certain conditions e. g., minimum tonnage of 5,000 tons; minimum speed of 16 miles per hour.

(5) The board of directors shall be composed of representatives appointed by the respective countries in proportion to the capital subscribed.

(6) The payment of the capital subscribed may be made in cash or by transfer of vessels belonging to the Government subscribing provided said vessels are suitable.

(Signed) VERGARA.

The transportation committee recognizes the paramount importance of the transportation question and believes that the establishment of improved regular facilities is an imperative necessity to the expansion of the commercial and financial relations between the United States and the Republics of South and Central America.

The committee further realizes the complexity of the problems which the subject involves and recommends as an aid to their solution the reports of the subcommittees representing the east and west coasts of South America, with its approval of the general suggestions contained in such reports.

It earnestly recommends the serious consideration of such suggestions as practical propositions tending toward a prompt solution of the problems presented.

In order to insure continuous action and to avoid delays it recommends the appointment by the chairman of the Pan American Conference of a permanent committee, to be composed of representatives from the United States and from Argentina, Brazil, Uruguay, Chile, Ecuador and Peru. It should be the duty of this committee to obtain and furnish information pertinent to the subject and to take such other steps as in its discretion may seem fit or necessary to put into

effect the plans outlined in the reports of the subcommittees above alluded to and further to consider and report to the chairman of the Pan American Conference any other feasible, effective plan for the establishment of the desired expansion of shipping facilities.

In conclusion, it is the unanimous conviction of the committee that such plans should be adopted as will most speedily establish direct, effective, and permanent transportation facilities between the United States and the republics of South and Central America.

Washington, D. C., May 28, 1915.

(Signed)

S. HALE PEARSON, Chairman	Argentina
R. C. ALDAO	Argentina
V. VILLAMIL	Argentina
JOHN E. ZIMMERMANN	Argentina
AMARO CAVALCANTI	Brazil
L. IZQUIERDO	Chile
AUGUSTO VILLANUEVA	Chile
GONZALO VERGARA BULNES	Chile
VINCENTE GONZALEZ	Ecuador
ISAAC ALZAMORA	Peru
EDUARDO HIGGINSON	Peru
PEDRO COSIO	Uruguay
GABRIEL TERRA	Uruguay
CARLOS MARIA DE PENA	Uruguay
DAVID R. FRANCIS	U. S. A.
EDWARD N. HURLEY	U. S. A.
GEORGE W. NORRIS	U. S. A.
FRANKLIN Q. BROWN	U. S. A.
PAUL FULLER	U. S. A.
R. GOODWIN RHETT	U. S. A.
SOL WEXLER	U. S. A.
J. G. WHITE	U. S. A.

It is a long time since so important a movement has been seriously encouraged to improve rapid and frequent communication with South America. One of the earliest results of the so-called Ocean Mail Act of 1891, under which the American Line steamers, St. Paul, St. Louis, New York and Philadelphia now operate across the Atlantic, and the Ward Line, Red "D," and Oceanic Steamship Companies carry the United States Mail to Mexico, Venezuela and Australia was the establishment of a mail route to Brazil by the United States and Brazil Mail Steamship Company. The venture was a failure and the additional compensation for carrying the mails, allowed under the terms of the Act, proved inadequate to offset the extraordinary expenses of the service. Since then the Postoffice Depart-

ment has advertised more than once for contract ocean mail service to South America but without success.

The interesting and really vital consideration of the proposal which has grown out of the Pan American Financial Conference lies in the altered trade conditions resulting from the war. One of the primary reasons of failure to establish American lines to South America has not been our wrongly abused navigation laws but the economic conditions which have accompanied them. Up to the present time, there has been a growing market for manufactures of the United States in South America but not a corresponding increase in the demand in this country for the raw products which come from and form the chief exports of those countries. Consequently it has been a comparatively simple matter for steamers sailing from the United States to load full cargoes, but it has been a very different matter for them to arrange a successful return voyage. Only two or three years ago an effort was made to start a line of steamers from our chief gulf port to Rio, with chartered steamers. The company started with quite inadequate capital, it is true, but at the same time had little or no difficulty in filling the first steamer with a complete cargo. The whole venture vanished into thin air when it came to making a profitable return voyage. Of course the promoters claimed the failure was due to the combined efforts of foreign established steamship companies practically to boycott them. The real cause of failure lay deeper. The foreign lines had engaged all the cargo there was to come back and there was no reason in the world why they should share it with a new comer.

It would consequently appear inevitable that any venture to establish new lines of steamship companies on direct routes between the United States and the more distant countries of the East and West Coast of South America must be prepared in advance to stand initial losses. A balanced direct trade between these distant points of contact has still to be developed. One of the most encouraging features growing out of the war has been the proportionate increase in imports into the United States from Argentina and other more distant countries of South America. Hitherto these particular countries have bought a great deal more from the United States than they have sold to it. Or, like Brazil, the trade has been equally unbalanced in the other direction.

Arbitration and Pan American Trade

A Definite Result of the Conference, a Practical Movement to Settle Trade Disputes

COMMERCIAL intercourse depends fundamentally upon both buyers and sellers being satisfied with their bargains. Dissatisfaction most frequently arises from feeling on the part of one of the sides that the other side has not performed its duty under the contract. For the removal of dissatisfaction of this kind a decision upon points of controversy, by men who are versed in the trade in question, is much more efficacious than resort to courts of law, with their delays, their expense, their technical rules of evidence, and their lack of a thorough understanding of the trade conditions surrounding a transaction.

In all parts of the world where men assemble to buy and sell particular kinds of merchandise, they resort to arbitration for the settlement of their misunderstandings, accepting the determinations of their fellow traders. Arbitration of this kind is very ancient, and has long been recognized by law in some countries.

Development of Commercial Arbitration

In recent years extension of the principle of arbitration, in order to promote confidence and friendship among citizens of different countries who have commercial relations, has been much discussed. For example, at the Sixth International Congress of Chambers of Commerce, which met in Paris last June, a number of reports were received concerning possible ways of promoting international arbitration for commercial disputes, and making its application uniform in all important countries. At the congress the proposals of the American delegates received special attention. The congress, however, did

not itself reach immediate results, but suggested that an international conference be called to formulate definite plans. Before such a conference could assemble, the European war made any general participation impossible, and consequently this conference has been indefinitely postponed.

Delegates from Latin American countries who attended the Pan American Financial Conference at Washington in the last week of May gave earnest expression to their conviction that arrangements for arbitration of misunderstandings arising in trade between their countries and the United States would greatly facilitate commercial intercourse. The delegates from Argentina, Dr. Samuel Hale Pearson and Dr. Richard C. Aldao, particularly emphasized the need for business arbitration by business men. The joint committee of Argentinians and representatives from the United States who devoted their attention to Argentina, adopted a formal resolution on the subject, the large general committee of the conference on uniform commercial laws emphasized its importance, and the delegates of such countries as Cuba and Venezuela gave their express support.

As a result of action by the Argentine Committee, in conjunction with action by the Executive Committee of the Chamber of Commerce of the United States, a joint committee was immediately appointed to meet in New York during the following week and arrive at a concrete plan for commercial arbitration between Argentina and the United States. On this committee Dr. Pearson and Dr. Aldao were designated for

Argentina, and the following gentlemen were designated by the Chamber of Commerce of the United States: Messrs. Frank A. Vanderlip, President of the National City Bank, James G. White, of J. G. White and Company, engineering contractors, Charles L. Bernheimer, chairman of the Committee on Arbitration of the New York Chamber of Commerce, William S. Kies, in charge of matters of Latin American trade for the National City Bank, and John H. Fahey, President of the National Chamber.

The Argentine-United States Agreement

This committee recognized the technical difficulties which have often been considered as obstacles in the way of the formation of a successful plan, but, being earnestly intent upon devising a plan which would be immediately effective, and acceptable to all interests, the committee reached conclusions which are very practicable. The principles, accepted by the committee, are set out in an agreement into which the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States are formally to enter. This agreement is printed in full below. Details for the application of the principles have been placed in Rules of Arbitration, which cover such points as the form in which the parties are to submit their controversy to arbitration, the form an award is to take, the method by which the necessary expenses are to be assessed, and the like.

Arbitration under this plan will be wholly voluntary, but will undoubtedly prove so advantageous that it will be widely accepted and prove a highly useful instrumentality for re-



PROPER AND IMPROPER METHODS OF PACKING COTTON.
(a) An ordinary gin box bale. After sampling and arrival at mill; (b) A Neely bale after transportation by rail and sampling—the proper way.



DAMAGED AMERICAN AUTOMOBILE, CONDITION IN WHICH THE FRONT SIDE ARRIVED. AN EXCELLENT EXAMPLE OF CARELESSNESS.

SAMPLES OF FAULTY AMERICAN PACKING—ONE OF THE MOST FREQUENT CAUSES OF COMMERCIAL DIFFERENCES BETWEEN MERCHANTS OF THE UNITED STATES AND THOSE OF LATIN AMERICA.

(From photographs supplied by the Bureau of Foreign and Domestic Commerce of the Department of Commerce)

moving causes for feelings of disappointment, whether Argentinians are selling to buyers in the United States or United States exporters are making sales to Argentinians. In providing for arbitration, the parties to a contract are perfectly free to agree that arbitration is to be effected in either country. Behind the awards of arbitrators will stand the influence of the Buenos Aires Chamber of Commerce and commercial organizations in the United States. Both the Committees on Arbitration, which will have administrative functions only, and the lists of men from whom arbitrators will be chosen are to be so constituted that each country will have adequate representation. At every possible point, the agreement has provisions which are intended to guarantee impartiality.

The plan for commercial arbitration between residents of Argentina and residents of the United States will become a model for similar plans which will undoubtedly be put into operation between other Latin American countries and the United States. Consequently, this agreement has importance not only as one of the first concrete results of the Financial Conference, but also as an indication of the influences which in the future will assist in fostering confidence and good feeling among American republics.

AN Agreement BETWEEN The Chamber of Commerce of Buenos Aires AND The Chamber of Commerce of the United States of America

Whereby these organizations, seeking to inspire and maintain confidence in the business relations between citizens or residents of their respective countries, provide a system of arbitration for settlement of commercial disputes in an impartial, inexpensive, and expeditious manner.

I.
The two Chambers will urge that in all contracts between merchants of the Argentine Republic and the United States of America, there should be inserted a standard clause to the effect that in the event of controversy concerning interpretation, fulfillment, or performance of the contract, such controversy shall be submitted to arbitration under rules agreed upon between the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States of America.

II.
The form of the standard clause mentioned in Article I, should be as follows:
"All disputed questions which may occasion controversy relating to this contract, shall be submitted to arbitration under the rules adopted jointly by the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States of America."

III.
If a contract is negotiated by cable, the parties may use the word "Arbitration," to indicate an agreement to arbitrate differences, in accordance with the above standard clause, the arbitration to occur in Buenos Aires, and the word "Arbitration," to indicate an agreement to arbitrate, the arbitration to occur in the City of New York.

IV.
In providing for arbitration of differences, the parties must always fix in their contract the place where

the arbitration is to occur, but if the parties do not so designate a place, the arbitration shall occur in the country in which the goods are to be delivered to the purchaser.

V.
If the parties have not agreed upon arbitrators within 30 days after either party to a contract has given notice of his desire for arbitration, the Committee on Arbitration of the Chamber of Commerce of Buenos Aires, if the arbitration is to occur in the Argentine Republic, or the Committee on Arbitration of the Chamber of Commerce of the United States, if the arbitration is to occur in the United States, shall have authority, active in accordance with this agreement and the Rules of Arbitration, to select three impartial persons, who may proceed in the arbitration with the same force and effect as if they had been agreed upon by the parties.

VI.
Each of the Chambers undertakes to create immediately a Committee on Arbitration, to be composed of five persons serving for stated periods. Two of the members of the Committee on Arbitration of the Chamber of Commerce of Buenos Aires shall be nominated by the Chamber of Commerce of the United States, subject to the approval of the Chamber of Commerce of Buenos Aires, and three of the members of said Committee shall be nominated by the Chamber of Commerce of Buenos Aires, subject to the approval of the Chamber of Commerce of the United States, one of the latter group to be designated by the Chamber of Commerce of Buenos Aires as Chairman of the Committee. The Committee on Arbitration of the Chamber of Commerce of the United States, and its Chairman, shall be nominated, approved, and designated in a reciprocal manner.

The Committee on Arbitration of each Chamber shall have general powers of supervision and administration in connection with arbitration which occur in its country under this agreement, and shall have the duty to advance in every way in its power the principle of arbitration for the amicable settlement of commercial disputes.

VII.
When a dispute shall arise over a contract containing the clause suggested in Articles I and II of this agreement, either of the disputants may bring his desire for arbitration to the attention of the other party, and of the Committee on Arbitration of the country in which the arbitration will occur, according to the terms of the contract, or according to Article IV of this agreement. The Committee on Arbitration shall thereupon notify the other party to the dispute, and shall proceed with the case according to this agreement and the Rules of Arbitration.

VIII.
Each of the Chambers undertakes to maintain an Official List of Arbitrators, on which there shall be who represent as many different kinds of business as possible. On the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires, fifteen names shall be nominated by the Chamber of Commerce of the United States, subject to the approval of the Chamber of Commerce of Buenos Aires, and fifteen names shall be nominated by the Chamber of Commerce of Buenos Aires, subject to the approval of the Chamber of Commerce of the United States. The former group of fifteen names shall be known as the Argentine Section of the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires, and the latter group of fifteen names shall be known as the United States Section of the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires. The Official List of Arbitrators of the Chamber of Commerce of the United States, and the designation of its two sections, shall be ascertained in a corresponding manner. The number of names on the Official Lists may from time to time be increased or changed, the changes in the Official Lists to be made in the same manner as the lists were originally created.

IX.
When the parties to a controversy have not otherwise chosen arbitrators, they shall make selections

from the Official List of the country in which the arbitration is to occur. In the event that each party has chosen an arbitrator from his national group, and the parties cannot agree upon a Third Arbitrator, the Third Arbitrator is to be selected by the Chairman of the Committee on Arbitration of the country in question, who shall proceed by taking from each section of the Official List of his Chamber of Commerce, the names of the three persons, who, by their business experience are best able, in his opinion, to render impartial judgment, and by ascertaining an order of preference among these six names by drawing lots. The man whose name is first drawn shall be accepted as Third Arbitrator, if he is able to serve; otherwise, the man whose name is drawn second shall be accepted, and so on.

X.
The two Chambers hereby agree that each will enforce, to the full extent of his influence, the awards made as the result of this system of arbitration, each giving full faith and credit to all awards which are made, in accordance with this system, and which are officially communicated to it. Upon being so informed of an award with which a resident of its country has not complied, the Chamber in question shall bring the award to the attention of the person concerned. If he persists in his failure to comply with the award, the Chamber shall prefer a complaint against him to any Chamber of Commerce or association of which he is a member, and shall press its charges to the full extent of its power.

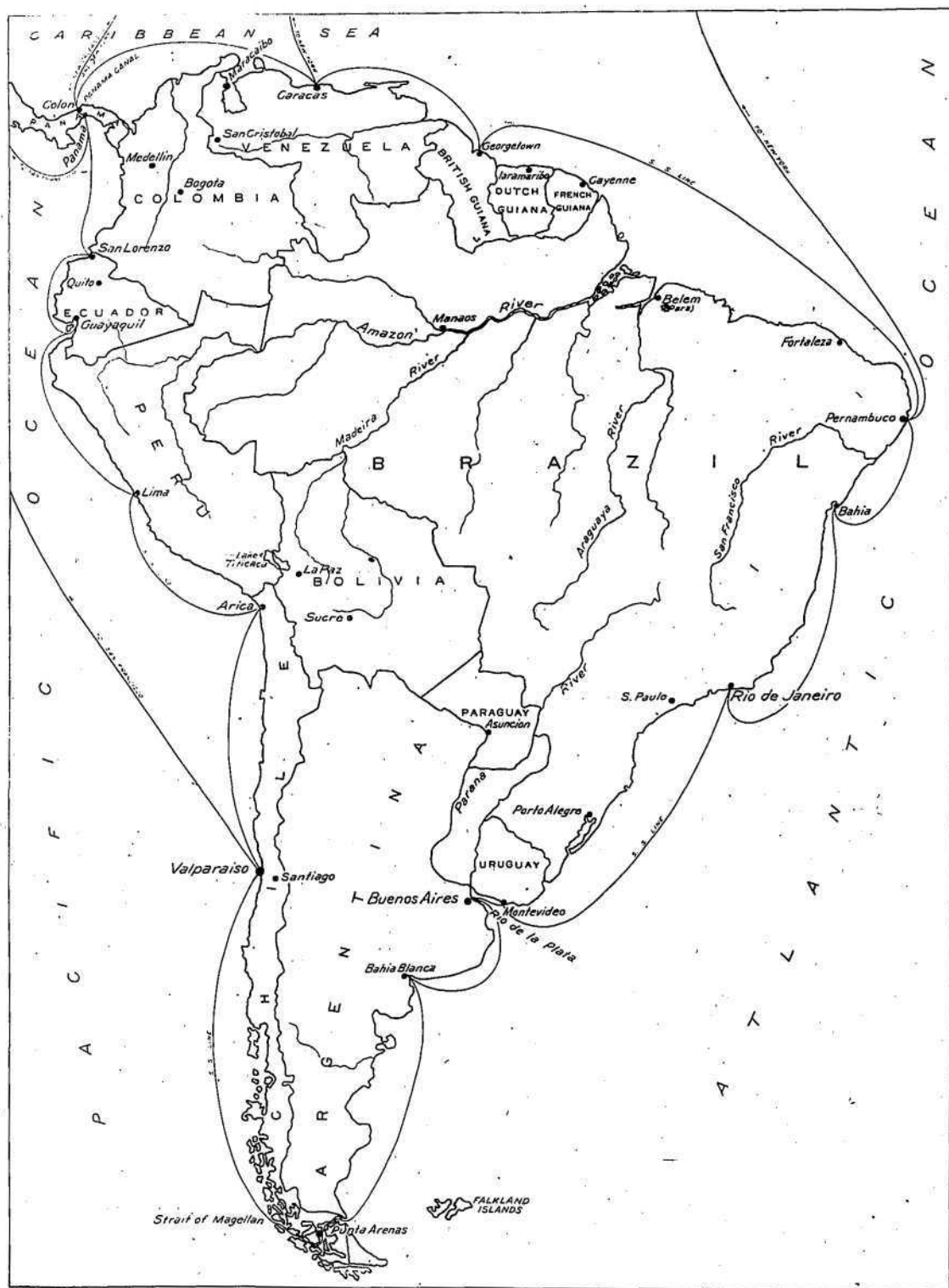
XI.
The two Chambers undertake to publish quarterly, or more frequently, if advisable, a bulletin in which will be given a resume of the decisions which have been rendered in arbitrations, a list of the awards made, and the results of each award. This bulletin shall contain the first name of any party refusing to comply with an award, together with a statement of the reasons, if any, given by him for his refusal.

XII.
If a controversy, which is submitted to arbitration, involves merchandise, the Committee on Arbitration, which will have supervision of the case, may, after communication with the parties, sell the merchandise, or take such action as may, in their judgment, be advisable to avoid increased loss. The proceeds of such sales shall be deposited in bank to await the award of the arbitrators.

XIII.
The several provisions of this agreement shall be given effect in accordance with regulations formulated by the two Chambers and approved by each of them. These regulations shall be known as the Rules of Arbitration, and shall contain, among other things, suitable provisions for taking testimony, in writing, between the parties, for hearing the parties, either orally or in writing, or both, as may be most convenient, and for payment of expenses of arbitration, and fees of the arbitrators.

XIV.
Nothing in this agreement contained shall be construed as against the making of special agreements for arbitration in connection with any specific transaction, or as against agreements covering a series of transactions and business relations over an extended period. It is the purpose of this agreement to encourage all agreements for arbitration between residents of the Argentine Republic and the United States of America, when not inconsistent with the principles herein set forth, and such agreements, when filed with the respective Chambers of Commerce, shall receive the moral support of both Chambers of Commerce.

XV.
This agreement shall become effective upon an exchange of ratifications between the two Chambers at any time within one year from July 1, 1915. Either Chamber may withdraw from this agreement by giving notice of one year, but no such withdrawal shall in any way affect arbitrations which may be pending, under this agreement, at the time of the notice, or at the time of the termination of the agreement.

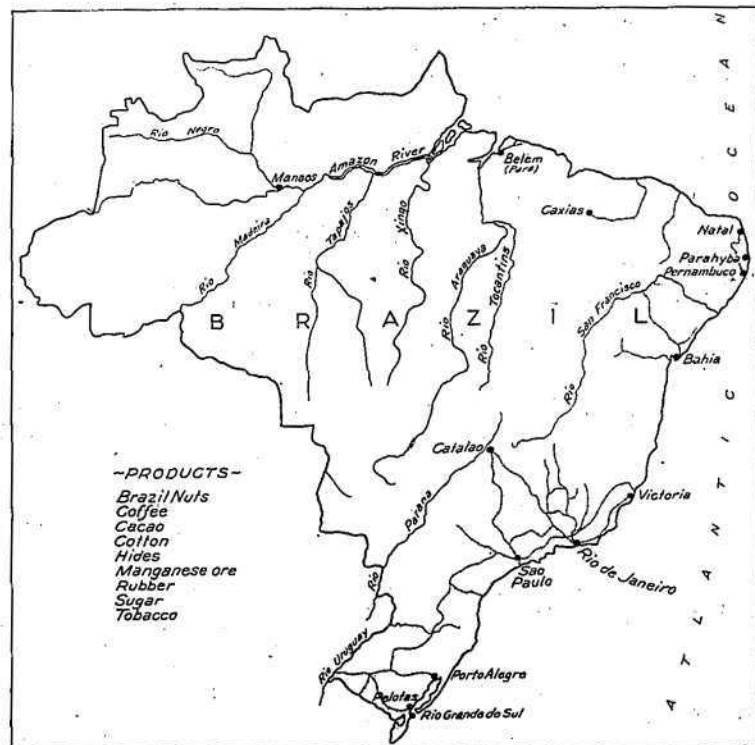


SOUTH AMERICA, SHOWING THE PRINCIPAL STEAMSHIP LINES CONNECTING THE CONTINENT WITH NORTH AMERICAN PORTS.

(The question of transportation from the South American ports to the United States was one of the vital topics of discussion at the Conference. The railroad lines and other detailed information concerning the individual countries are to be found on the separate maps which appear in connection with the articles immediately following. No lines of communication with Europe are shown.)

Brazil

Area, 3,292,000 square miles; Population, 24,000,000; Language, Portuguese; Capital, Rio de Janeiro; Population, 1,500,000.



CONFERENCE COMMITTEE.

Chairman.

Hon. AMARO CAVALCANTI.

Official Delegation.

Hon. AMARO CAVALCANTI.

Special Guest of the Secretary of the Treasury.

THE BRAZILIAN EMBASSADOR.

Representatives from the United States.

Warburg, Hon. Paul M., Federal Reserve Board.
Cone, Caesar, Greensboro, N. C.
Forgan, J. B., President First National Bank, Chicago.
Lage, Frederick, New York.
Kies, W. S., New York.
Moore, Hon. John Bassett, New York.
Morgan, J. P., J. P. Morgan & Co., New York.
Rice, E. W., President General Electric Co., New York.
Sutter, Charles S., St. Louis.
Thomas, E. P., President United States Steel Products Co., New York.
Wharton, Elias Q., Otis Elevator Co.
Wing, Daniel B., President First National Bank, Boston.
Charles Ray Dean, Group Secretary.

Data Brought by the Delegation

THE work of the committee was facilitated by a preliminary memorandum presented by the Brazilian delegate, Dr. Amaro Cavalcanti, formerly a distinguished judge of the Supreme Court of Brazil. Dr. Cavalcanti emphasized the adverse balance of trade existing between the United States and Brazil, contrasting it with the favorable conditions which attend the commercial intercourse between Brazil and the principal countries of Europe, notably the Netherlands, France and Austria-Hungary. He claimed the explanation lies in a number of causes which contribute to hamper exports from the United States to Brazil.

First of all, there seems to be a very confused idea of existing commercial and financial conditions and a lack of initiative in studying the situation with a view to opening up new markets.

American flour, as a result of a special discrimination in its favor, enjoys a reduction of 30 per cent duty in all ports of Brazil. Outside of this and one or two other lines of export, American business men have shown a great lack of enterprise. One of the great impediments is the irregular and slow steamship service. Fast European steamers ply at regular and frequent intervals between Europe and Brazilian ports, bringing not only cargoes but also passengers and mails. Further than this, Americans have not only shown a lack of interest in studying the character and prices of the goods offered by their European competitors; they have also failed to acquire a knowledge of what is being manufactured and supplied by Brazil itself.

Brazil is a country exceptional among the American republics. Its area is enormous and confines the mightiest river system in the world, the Amazon, with the comparatively unexplored and distant areas which is drained by its tributaries. In this vast expanse is settled a scattered population, estimated at some 24,000,000 souls, inhabiting a country some 200,000 square miles larger than the United States. There is every variety of climate from the temperate to the extreme torrid. The great bulk of the population is settled close to the Atlantic sea coast. Yet ocean going steamers sailing from New York unload their cargoes at Manaus, on the Amazon, 1,000 miles and more inland.

Dr. Cavalcanti was emphatic on the point that no preference existed in Brazil for European over American goods. Purchases were governed by price, quality and terms of credit. The net result can be expressed in figures. Thus, from 1910 to 1913, Germany exported to Brazil \$101,056,000, and Great Britain \$15,449,000 more than they took from that country whereas the United States, during the same period, shows the exact antithesis in an unfavorable balance, amounting to \$365,566,000. In other words, we import vast amounts of coffee and other natural products

from Brazil and send back comparatively small shipments of manufactured goods in return, whereas England and Germany do just the opposite. Dr. Cavalcanti concluded by remarking that the two branches of the National City Bank opened in Rio and Santos last April, while a step in the right direction, are, so far, operating under such limited conditions that they do not and cannot as yet fulfill the end in view.

Results of Committee Conferences

The final report of the conference committee, made after several days of close and frank discussion, reflects the impress of Dr. Cavalcanti's memorandum, although the foreign element on the committee consisted of Dr. Cavalcanti himself alone. The committee, for purposes of expedition and efficiency, divided itself into two sub-committees, one on banking and one on trade and commerce. The two sub-committees presented separate reports which were adopted unanimously by the committee as a whole and included in its final report.

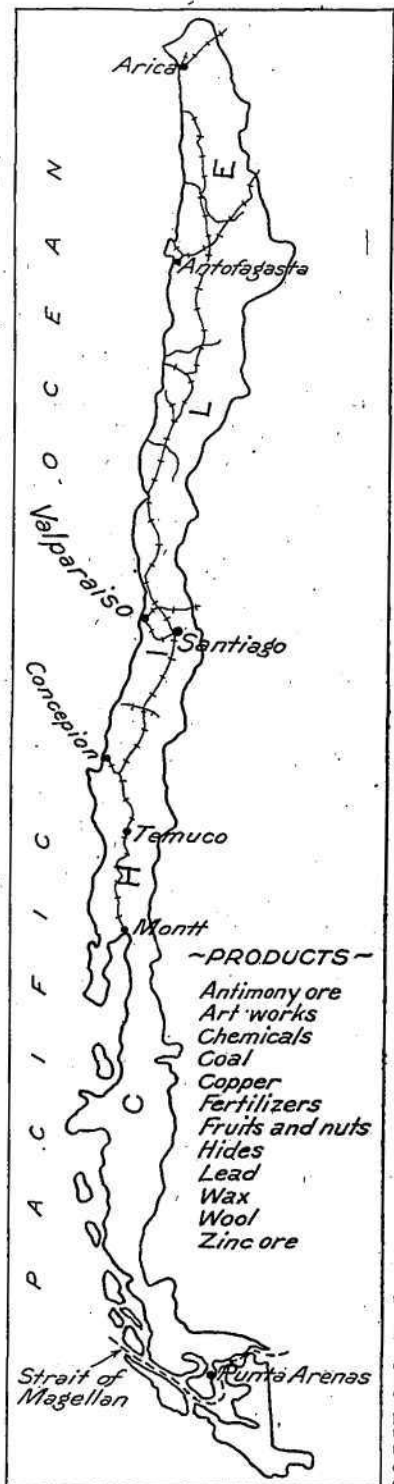
A study of the subject made it immediately evident that the question of banking had to be divided into two parts, one dealing with government and corporate financing, and the other with commercial banking. The principal phase of commercial banking interesting to American exporters and Brazilian merchants is that concerned with financing transactions connected with the importation and exportation of goods. On the other hand, the question of local banking cannot be ignored although, in the relations of one country with another, this latter phase must necessarily be less important. What the committee in its report terms "acceptance business," transactions dealing with the acceptance by banks of commercial paper of one kind or another, can be developed at once and regardless of the fact whether or not the banks concerned in either country have established branches in the other country. At the same time the growth of business of this kind could be much facilitated if there existed definite regulations and a clearer definition of acceptances, endorsements, warrants and warehouse receipts. The committee also urges what has many times attracted attention, namely the advisability of establishing, in the various countries of South and Central America, warehouses of such standing that receipts issued against goods stored in them would have a solid, recognized commercial value.

In regard to local banking, the committee went so far as to urge the establishment of American branches representing a group of American banks instead of merely one bank, realizing that at first progress must be slow and expenses of operation heavy. The committee repeats its realization that American branch banks will come into the field without the experience of the foreign banks already established on the spot and consequently at some disadvantage. Nevertheless, the results ultimately obtainable are seen to be positive.

The sub-committee on trade and commerce seized at once upon the obvious necessity of familiarizing people in the United States with actual conditions in Brazil, and went so far as to recommend the particular study of South American customs, languages and conditions in the educational institutions of this country. A number of practical questions are also given special emphasis. More broad gauge customs regulations, effective protection of trade marks, reliable credit information, dollar exchange, the establishment of standards of quality, weight and measure, reciprocal tariff concessions between all American countries, rapid, regular and frequent steamship service, the extension of two-cent letter postage, and a general parcel post and money order system for the republics of the western hemisphere, direct wireless and cable service and a more reliable and comprehensive circulation of press news among all the countries concerned, were also urged strongly by the committee and give a good idea of the practical range of the investigations.

Chile

Area, 292,100 square miles; Population 5,000,000; Language, Spanish; Capital, Santiago; Population, 500,000.



CONFERENCE COMMITTEE.

Chairman,
HON. LUIS IZQUIERDO,
Official Delegation,
HON. LUIS IZQUIERDO,
HON. AUGUSTO VILLANUEVA,
HON. GONZALO VERGARA BULNES,
Special Guest of the Secretary of the Treasury,
THE AMBASSADOR OF CHILE.

Representatives from the United States,
Hamlin, Hon. Charles S., Governor Federal Reserve Board,
Davison, Henry P., J. P. Morgan & Co., New York.
Eaton, Frederick H., President American Power & Foundry Co., New York.
Flint, Charles R., New York.
Frederick, Leopold, New York.
Green, C. A., R. G. Dun & Co.
Guggenheim, Daniel, President American Smelting & Refining Co., New York.
Johnson, Albin B., President Baldwin Locomotive Works, Philadelphia.
Johnston, Archibald, First Vice President Bethlehem Steel Corporation, New York.
Norton, Charles D., First National Bank, New York.
Roskoff, John J., Treasurer E. I. du Pont de Nemours Powder Co.
Ryan, John D., President Amalgamated Copper Co., New York.
Mr. Martinez de Alva, Group Secretary.

Data Brought by the Delegation

THE Chilean delegation was typical of the distinguished character of the representatives sent by the Latin American Governments. Mr. Izquierdo, chairman of the delegation, was formerly minister of foreign affairs and is now a deputy in the National Congress, with a distinguished career as a diplomat behind him. The second member of the delegation was Mr. Villanueva, Director General of the Bank of Chile and perhaps the leading Chilean authority on subjects of finance. The third member was Mr. Vergara Bulnes, a leading lawyer and an authority on international questions of economics.

The settlement of the countries of Latin America has been as various as their physical conditions which range from the tropical and semi-tropical to the desolate, cloud-cast bleakness of the southern portions of Chile and Argentina. The original Spanish conquerors in some of the countries only succeeded in superimposing an upper class of bureaucrats and speculators on the native Indian population. In other cases the native population was practically exterminated in the course of years and the labor it represented replaced by importations of negroes from Africa. Chile affords one of the examples where the entire settlement has been practically homogeneous and European. The European element not only composes the entire governing and wealthy classes but also forms the backbone of the nation. The future development of the country offers the brightest prospects from this fact.

Results of Committee Conferences

Two of the principal questions brought forward by this delegation were referred to two general committees of the conference, one on transportation and one on uniform laws relating to trade and commerce. Nevertheless the report of the committee was of great practical significance. In brief, the committee recommended the encouragement of connections and intercourse between the established financial institutions of South American countries and those of the United States, so that each may avail itself of the acquired experience of the other. It is essential that the banks here and there should be qualified to draw bills of exchange upon each other in the same way as is now done between Europe and Chile. Necessary legislation to this end was urgently recommended.

With the same purpose, the committee suggested that wherever necessary, laws be enacted to establish bonded warehouse warrants and receipts, so as to make available collateral security for the development of international commerce. The committee also adopted a recommendation put forward in a special memorandum by one of the American members appointed by the Secretary of the Treasury, to confer with the official delegates of the Chilean government. This memorandum suggests the advisability of permitting the payment of such part of the Chilean export duties on nitrate sent to the United States, as

are now payable in 90-day sight drafts on London, by means of 90-day sight drafts on New York in American dollars, at such rate of exchange as may be periodically fixed by the proper Chilean authorities. This recommendation in itself will do much, once it is carried into effect, to establish a permanent dollar exchange.

In considering this recommendation the conference committee took into consideration the fact that since the outbreak of the European war, transactions in dollar exchange have reached considerable proportions, one group of American companies alone reporting the sale of more than \$2,000,000 worth of bills. This arrangement will not only make the Chilean nitrate exporters less dependent on London, but will also do much to stimulate general transactions in dollar exchange, bringing a larger supply of 90-day bills to financial centers in this country where they can be discounted through the Federal Reserve Banks.

The financial side of trade development naturally includes the question of credits. Merchants in Chile are accustomed to credits sufficiently long to enable them to realize upon their goods and thus procure funds to meet their obligations. The committee pointed out the desirability of such necessary changes in the laws of the United States as will enable banks to extend their credit, discount and rediscount facilities so as to conform to the trade customs and necessities of Latin America. Here again the extension of banking facilities is shown to carry with it one of the vital features of foreign trade, namely credit. The lack of such facilities deprives expanding foreign trade of its vital force.

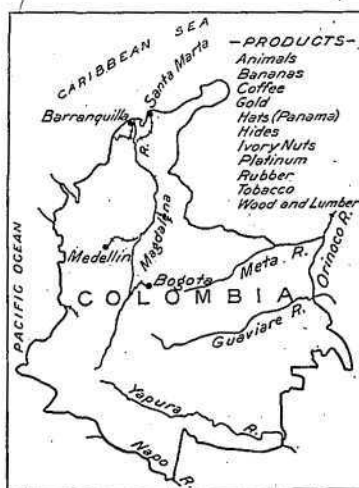
The two other points emphasized by the Chilean delegation are of paramount importance, and their general treatment is outlined in the reports of the general committees to which they were referred. Transportation and shipping facilities are the arteries of international commerce. The opening of the Panama Canal has been attended with a convulsion of world trade which has yet made impossible a complete realization of its ultimate effects. But those of the Latin American delegates attending the conference have forecast clearly, in their own minds, just what this new sea route may mean to them. Equally clear to their business understanding is the effect of the flag on commerce. They figure on the appearance of American shipping and the increased financial transactions which will attend its growth.

The second question referred to general committee on uniform laws relating to trade and commerce included an urgent recommendation for the establishment of a permanent inter-American commission to study commercial problems and conditions in the various countries, and particularly the customs, laws and regulations now in force, and the possibility of a uniform customs classification of goods for customs purposes. Uniformity of port dues and regulations was also urged.

A glance at the accompanying map of Chile will indicate its interesting character. With an average breadth of only a little over 100 miles, the coast line stretches from the torrid zone to the frigid climate and tempestuous winds of Cape Horn; nearly three thousand miles of coast, backed its entire length by the lofty and unsailable rampart of the Andes. The south is heavily wooded, while the north is an arid upland plateau rising from the sea, contributing, nevertheless, untold wealth from its beds of nitrate. Nitrate of soda, copper, iodine and borate of lime; these, at present, are the principal industries of Chile today. But the development of the sheep and cattle raising districts in the southern part of this strangely proportioned country, bids fair to make the ports in this section one of the important shipping centers of the world in the not far distant future. The Chilean government has never yet passed a payment on its bonds, and its political stability has long been well-established. Already it supports a government subsidized line of steamships, plying between Chilean ports and as far north as the Isthmus of Panama. Its people are highly intelligent and enterprising, and its delegation contributed a most interesting and substantial part to the success of the conference as a whole.

Colombia

Area, 438,000 miles; Population, 5,500,000; Language, Spanish; Capital, Bogota; Population, 125,000.



CONFERENCE COMMITTEE.

Chairman.

HON. SANTIAGO PEREZ TRIANA.

Official Delegation.

HON. SANTIAGO PEREZ TRIANA.

HON. RUBEN ARIZOLA.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF COMMERCE.

Representatives from the United States.

Davies, Hon. Jos. E., Chairman Federal Trade Commission.
Hancroft, Chas. G., President International Trust Co., Boston.
Gorrell, Frank E., Secretary National Canners' Association, Washington.
Hart, Francis R., Old Colony Trust Co., Boston.
Jaffray, C. T., Vice President First National Bank, Minneapolis.
Meredith, E. T., Des Moines, Iowa.
Muelnic, Charles, Manager Foreign Sales Department, American Locomotive Co., New York.
Poter, W. C., Guarantee Trust Co., New York.
Simmons, W. D., Simmons Hardware Co., Philadelphia.
Straight, Willard, J. P. Morgan & Co., New York.
N. A. Dunaway, Group Secretary.

Data Brought by the Delegation

THE most eloquent remarks made in the open sessions of the Conference by members of the visiting delegations from Latin America were contributed by Mr. Santiago Perez Triana, head of the Colombian delegation and formerly Colombian Minister to Great Britain. Mr. Triana is an authority on finance and trade, and in his speech on America for the Americans, practically struck the keynote of the Conference.

The work of the Colombian Conference Committee was very much facilitated by three memoranda submitted by the Colombian delegates, one dealing with opportunities of investment for foreign capital in Colombia, the second with the public and private financial situation in the country, and the third with Colombia's foreign trade. The first memorandum showed clearly that the greatest degree of prosperity which lies before this interesting country will only be attained when its natural resources have been further developed by foreign capital. Colombia is larger than Germany and France together, and larger than all the coast states from Maine to Florida, including Ohio and West Virginia. It has a coast line of 1,600 miles along the Caribbean Sea, and 1,500 miles along the Pacific, and is the largest and richest country adjacent to the Panama Canal.

The amount of money in circulation in Colombia is estimated to be something less than \$25,000,000, and the capital of its four leading banks aggregate only about \$4,350,000. All four of them, however, in the last six months of 1914 showed net profits in proportion to their capital, ranging from 3½ to 13 per cent for the half year. The Government of Colombia has authority to grant concessions for banks to issue notes,

but has not actually done so at the present time. It would, consequently, seem that all the paper currency now in use in Colombia is issued by the government. The foreign debt for loans as well as for subventions and guarantees of interest on railways is payable in London and aggregates less than \$20,000,000, an average of about \$3.60 per capita. If a foreign debt of \$25.00 per capita of 5,500,000 inhabitants in Colombia be estimated as a reasonable indebtedness for such a country, Colombia's borrowing capacity would be \$140,000,000, a sum which would allow for the government to back undertakings very much in excess of those which now exist.

The principal fields of opportunity for prospective business in Colombia lie in mining, stock raising and the exploitation of forests. In the order of their importance, the workable mines and mineral deposits are first, gold, silver, platinum, iron, copper and emeralds; second, crude oil; third, coal. According to the committee, the number of mines officially listed already exceeds 18,000. With regard to coal, it is reported that deposits are available in every part of the republic and that exploitation has been limited thus far to the needs of home consumption but could be developed on a much larger scale, sufficient for the entire needs of the neighboring countries. The petroleum deposits thus far surveyed are sufficiently important to indicate that Colombia may possibly prove a more productive field even than Mexico. Today petroleum is exploited only on a very small scale. Undertakings on the part of the Pearson Syndicate, of Great Britain, and American and Canadian syndicates are in definite shape, but all the interests concerned seem satisfied with the future possibilities in this field.

Stock raising is still a possibility only, in so far as concerns the foreign market, but vast stretches of natural pasture in all kinds of climate are reported ample for the feeding of stock on a scale sufficient to maintain a constant supply of cattle on the hoof, as well as for the establishment of packing houses in regions along the coast. At present, only about 7,000,000 head of bovine cattle are reported, and the exports last year to Panama and the West Indies only amounted to 7,000 head.

The forests of Colombia include all kinds of wood for fine cabinet work, such as mahogany, cedar, walnut, etc., as well as enormous tracts of land covered with valuable hard woods like lignum-vitae, quebracho, diomate, etc., and also a rich collection of trees and shrubs for the production of tannic acid. The exploitation of these forests at present is embarrassed by the comparatively unexplored nature of much of the country in which they lie, and difficulties of communication and transportation.

In Colombia, as in several others of the Latin American republics, the exploitation of its dormant wealth awaits the development of adequate railroad communications and improving the channels of rivers and harbors. At the present time, only about 700 miles of railway is reported in operation, located on the Caribbean Sea, and extending into the mountains. These lines are, to a large extent, auxiliaries to the river systems. Most of the commerce of the country in the interior is thus carried by the rivers with railways as auxiliaries.

The greater part of the system of routes of transportation in Colombia has for its center the River Magdalena, which is for Colombia what the Mississippi is for the United States. This river is navigable by large vessels for 600 miles up from its mouth, and for smaller craft 300 miles further. Up this river foreign products and merchandise enter Colombia, and the greater part of the national products leave Colombia by the same river, as the centers of consumption and of production are located within a short distance on either side of the river. So that, taking the Magdalena River as the trunk line of the future systems, and channeling the sand banks at its mouth, in order that steamships may enter as far as the flourishing city of Barranquilla, it would be necessary to construct or finish or enlarge a number of lateral railroads.

There is in such projects work for some 2,300 miles of new construction and of enlargement of

the constructions already in existence. And apart from the Magdalena system, there remain to be constructed other promising routes through rich mineral and grazing lands.

The amount of American capital which it will be possible to employ, figuring on the average rate of \$50,000 per mile, will reach some \$200,000,000, and with the improvements of the sea and river ports and the dredging of rivers this figure may go up to \$250,000,000, a vast and highly productive investment for the genius and energy of this nation, and yet an amount less than that which has been invested by the English in Argentina.

And it should not be forgotten that the Colombian law authorizes the Government to subsidize railroad construction to the extent of \$10,000 per kilometer of roadbed constructed (\$16,000 per mile), and it grants up to 300 hectares of public lands per mile of railroad constructed, to be located on either side of the same.

At the present time the development of Colombia in foreign trade, outside its mining resources, has been devoted chiefly to coffee, which, in 1912, constituted about half of the total exports, and was valued at \$17,000,000. Bananas are also a new and flourishing industry. Something more than \$2,000,000 worth a year are being exported.

Results of Committee Conferences

In considering the facts developed in the three memoranda submitted by the Colombian delegation, the Conference Committee came to the conclusion that the prime necessity for improving financial and commercial relations between Colombia and the United States are the assistance of American capital and banking facilities. It developed that, in the past, Colombia has depended principally upon European credit for financing her foreign trade and developing her internal resources.

In spite of the curtailments of this credit since the outbreak of the war, the financial and economic situation of the country has remained fundamentally sound. Consequently, an opportunity is offered to equalize the unfavorable balance now existing in the trade with the United States. At the present time Colombia is sending over half of her products to the United States and taking only about one-fourth of her imports from the United States, the figures being \$18,800,000 and \$7,600,000 respectively. The Committee reported that, in order to effect this trade extension, the creation of mutual banking relationships through the establishment of branch American banks, together with the gradual development of a dollar exchange and a necessary market for discounting commercial paper, is highly desirable. The committee emphasized the importance of extending inter-American steamship transportation and securing more uniform laws relating to trade and commerce, as well as the establishment of an international commercial court for the arbitration of trade deposits.

In conclusion, the committee offered a number of specific recommendations which included the appointment of permanent special committees to deal with questions affecting Colombia, and each of the other American countries. The duty of such should be to study conditions and report to the Secretary of the Treasury and the Chamber of Commerce of the United States. The committee further recommended that consideration be given to the creation of a board of engineers, to be approved by the general executive council, or by the Chamber of Commerce of the United States, from which board several permanent committees may select experts for the investigation of projects offered for financing enterprises. The Conference Committee felt that special interest attached to Colombia owing to its situation with regard to the Panama Canal with harbors on the Caribbean Sea only 1,400 miles from New Orleans and 1,900 miles from New York. Like the other committees, however, it was particularly impressed with the fact that it was necessary to perpetuate the work of the Conference by means of permanent committees, to be organized, as soon as practicable, on a definite basis.

Bolivia

Area, 708,195 square miles; population, 2,267,925; Language, Spanish; Capital, La Paz; Population, 82,000.



CONFERENCE COMMITTEE.

Chairman.

HON. IGNACIO CALDERON.

Official Delegation.

HON. IGNACIO CALDERON.

HON. ADOLFO BALLIVIAN.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF BOLIVIA.

Representatives from the United States.

Hurley, Hon. Edward M., Federal Trade Commission.

Bippus, W. F., Treasurer National Cash Register Co.,

Dayton, Ohio.

Brand, Charles J., Department of Agriculture.

Elliott, Hon. Milton C., Counsel Federal Reserve Board,

Washington.

Fuerth, Otto H., New York.

Goodhue, F. A., Vice President First National Bank,

Boston.

Hastings, S. M., Illinois Manufacturers' Association,

Chicago.

Holliday, John H., President Union Trust Co., Indiana-

polis.

O'Neill, J. F., President Fulton Foundry Co., St. Louis.

Richards, George H., Remington Typewriter Co., New

York.

Rue, Levi L., President Philadelphia National Bank,

Philadelphia.

Speyer, James, Speyer & Co., New York.

Storror, James, Boston.

J. C. Luitweiler, Group Secretary.

Data Brought by the Delegation

BOLIVIA is perhaps the only country in South America that never has had paper money. Its delegation at the Conference, consisting of the distinguished Minister of Bolivia at Washington, Mr. Ignacio Calderon, and the Bolivian Consul General at New York, Mr. Adolph Ballivian, pre-

sented a memorandum on Bolivian finance and commercial resources which formed a comprehensive basis for the discussions of problems in the committee which had the interests of that country under consideration. While Bolivian currency is based on the gold standard the government has not yet minted a national gold coin, and the English pound sterling and the Peruvian gold money are the only legal tender. The bulk of the country's currency consequently consists of bank notes and silver and nickel coins. Financial operations are facilitated by four banks of issue and four mortgage banks, besides agencies of a German bank in La Paz and Ororo. The combined capital of the four banks of issue, paid up, amounts to over forty million bolivianos,—about \$16,000,000. All these banks pay dividends that average about 10 per cent annually.

Up to 1900, Bolivia was free from foreign debt and since then has contracted but three foreign loans of any importance. Part of these loans was for the purpose of establishing a bank, and part for railway extension. As Bolivia is an inland country without any seacoast, occupying the uplands and mountainous portions of the Andes, the construction of railways has been expensive and accompanied by engineering problems of great magnitude and difficulty. Thus far, the roads constructed have been carried through at an expense which is understood to be somewhere about \$15,000,000. Other rich and important areas are still to be developed by the roads projected. The country is one of the richest in the world in mineral resources, and it is generally believed that the further development of railways will lead to the further extension of mining industries. Silver was so plentiful that the Spaniards established in Bolivia the second mint in all America for coining money, the first being that of Mexico. Now tin has taken a very important place, and there are also rich deposits of copper, bismuth, cobalt, zinc and other minerals.

The most interesting feature for this country lies in the fact that Bolivia is a country still to be developed and that, up to now, its principal foreign connections have been England, Germany, France and Belgium. These facts, with others covering the general fields of possibility in this interesting republic, were discussed with the greatest frankness and detail in the Conference Committee, and led to a number of interesting conclusions.

Results of Committee Conference

It became evident at once that the exploitation of mines, and their development, requires capital which, at the present time, should offer profitable investment to American financiers and miners. Moreover, four minerals, hitherto imported to the United States from Europe principally, namely, antimony, tungsten, bismuth and tin, can

now be brought to the United States through the Panama Canal much more easily than heretofore. In the eastern part of Bolivia live stock has also begun to offer a profitable field of enterprise. Recent estimates in two states in the eastern part of the country, apparently in those high valleys which lead down to the head waters of the Amazon, place 80,000 wild, and 20,000 domestic cattle in the province of Santa Cruz, and 130,000 wild and 50,000 domestic cattle in the province of Beni. The area covered by the grazing fields is reported to be larger than the whole state of Texas. In the high plateau regions are found various kinds of sheep, alpaca and vicuna. But here again capital is needed to develop resources, and railroads must be built to cheapen transportation.

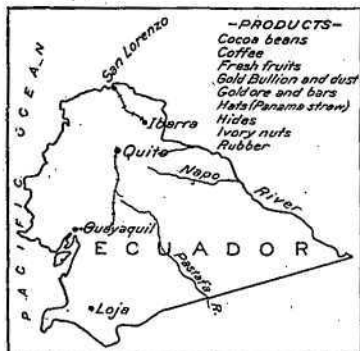
Rubber, timber and fruit are in abundance, the exports of rubber alone, in 1913, amounting to more than 5,000 tons. Politically speaking, the country is perfectly peaceful and the regularity of its administration is evidenced by its sound financial standing. Greater uniformity in its commercial laws and regulations and the simplifying of invoices and other consular requirements would do much to facilitate the exchange of commodities and should be accompanied by cheaper telegraphic communication whether by wireless or cable.

The banking situation, as in many other countries of Central and South America, has been one of much embarrassment, owing to the effects of the European War. The conference committee consequently strongly recommended the establishment of a bank, possessing the necessary charter powers to meet local trade conditions, whose capital should be furnished jointly by citizens of Bolivia and citizens of the United States. Such an institution would be a strong factor in developing trade between the two countries. The commercial department of the bank could collect and furnish proper credit information, and could, by guarantee of local credits, be instrumental in obtaining capital for local development. The necessity for such a bank is emphasized by the fact that a branch of one of the national banks of the United States would apparently not possess the necessary charter powers to enable it to conform to local conditions and requirements.

Another difficulty which has hitherto impeded the development of financial and trade relations with Bolivia has been a lack of information as to the true status of conditions in that country. Consequently the group committee recommended the organization of a central commercial agency to conduct its operations in connection with or under the supervision of the Chamber of Commerce of the United States. The purpose of this agency would be to disseminate information and serve as a connecting link between the industries of the Latin American countries and the United States.

Ecuador

Area, 116,000 square miles; Population, 1,500,000; Language, Spanish; Capital, Quito; Population, 60,000.



CONFERENCE COMMITTEE.

Chairman.

HON. JUAN CUEVA GARCIA.

Official Delegation.

HON. JUAN CUEVA GARCIA.

HON. VICENTE GONZALEZ.

HON. ENRIQUE GALLARDO.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF ECUADOR.

Representatives from the United States.

Parry, Hon. Will H., Federal Trade Commission.

Clausen, John, Crocker National Bank, San Francisco.

Conklin, Franklin, Newark, N. J.

Gwen, T. H., President Farmers' Deposit & National

Bank.

Kent, Fred I., Vice President Bankers' Trust Co., New

York.

McChord, Joseph A., Governor Federal Reserve Bank,

Atlanta.

Mahana, George S., Corn Products Refining Co., New

York.

Tedcastle, A. W., Boston.

Travieso, Hon. Martin, Treasurer of Porto Rico.

Wiggin, A. H., Chase National Bank, New York.

Charles F. Baker, Group Secretary.

Data Brought by the Delegation

THE delegation from Ecuador, a country whose capital city lies practically under the Equator, was headed by Mr. Juan Cueva Garcia, Minister of Ecuador to Great Britain, and now in the United States as the fiscal agent of his government. Like the other delegations, that of Ecuador submitted a memorandum dealing with the principal questions which could be considered to advantage at the Conference, with a view to improving relations between the United States and the countries of Latin America.

A wide range of subjects was covered, including banking and currency, the sale of South American securities, improved laws affecting trade and commerce, dealings in bills of exchange, commercial regulations, postal, telegraph, and telephone service, trade marks and patents, immigration, mines and concessions, and navigation. The desirability of passing adequate legislation for the establishment and operation of branches and agencies of American banks in

Latin America, and vice versa, was strongly urged, together with the adoption of the gold standard in all the countries of the Pan American Union. Increase of banking facilities would naturally lead, by easy stages, to the listing of American securities on Latin American stock exchanges, and of Latin American securities on the exchanges in the United States. Such facilities would accompany more rapid and familiar handling of bills of exchange, bills of lading and consular invoices. Greater uniformity in the laws affecting such bills and invoices was pointed out to be urgently necessary and could be very much further advanced by the adoption, in all American countries, of a more uniform classification of goods for tariff purposes.

For the exchange of articles of small bulk, the extension of the parcel post service, accompanied by features providing for cash on delivery and insurance, was strongly recommended, together with a uniform rate of postage for letters, postal facilities of this kind, to be accompanied by improved telegraph and telephone and wireless service.

In line with increased commercial intercourse through banks—the handling of commercial paper and improvements of commercial law which would include the protection of trade marks and patents—the extension of inter-American steamship communication was urged, which should, at the same time, take into consideration the advisability of establishing free ports or free zones for the manufacture, transshipment and distribution of products and merchandise such as now, apparently, exist at Hamburg and Copenhagen. In conclusion, the memorandum urged the Pan American Union to compile and publish in English, Spanish and Portuguese, the laws of commercial interest in all the various American republics, and to prepare for future conferences, with a view to achieving permanent and continued results.

The Conference Committee as a whole, expanded the subjects treated in the memorandum presented by the Ecuadorian delegates. The pub-

lic finances of Ecuador are controlled to a very great extent by the fiscal revenues, amounting to some \$10,000,000 in American gold and drawn mostly from customs duties. The war, by decreasing the purchasing power of the people of the country, has reduced the fiscal revenues to an aggregate estimated at \$8,000,000. The only measures adopted to meet conditions produced by the war, were the borrowing of money by the government from the local banks, and the temporary suspension of gold exports and of the conversion of notes. It has necessarily produced a draft upon the legal gold reserves of the banks which are estimated now to be about one-half of the legal requirements.

This circumstance emphasizes the fact that international cooperation can be effected most advantageously by lending the government the money which it needs (three to five million dollars), on reasonable conditions, and for a period which would permit it to pay local banks its indebtedness to them and at the same time repay the loan to the principals at its convenience. The debt of the government to the local banks aggregates about \$4,000,000, and the total indebtedness, including foreign loans, amount to about \$18,000,000 or \$20,000,000. The country was and still is on a gold basis, and except for the curtailing of credits and other disturbances of the money market caused by the war, is on a sound basis which can be maintained, providing the continued sale of its export products can be satisfactorily continued. The chief export is cacao.

The principal measure necessary to secure for the United States the advantages of being the contributing and clearing center of Ecuadorian trade, is for American banks to establish the means of financing shipments as liberally as those hitherto provided by London. This can be done by extending banking credit to exporters and banks just as much for shipments intended for the United States as for those directed to other countries. While this may be a complicated operation at the present moment, it can be done more advantageously by banks in this country

than by Ecuadorian banks and exporters themselves.

Railroads and General Conditions

There are only three railway companies operating lines in Ecuador, aggregating some 360 miles of track, and the opportunities for investment seem less favorable in this field than in street car lines, electric light and power plants, and in sewerage and other municipal operations. But, in all matters affecting trade, the Committee emphasized the need which exists in Ecuador, as in other Latin American countries, for the extension of reasonable credit. In Ecuador this extends to the crops which are financed within the country. Foreign banks became of assistance in this field by permitting exporters to draw in advance of shipments, for the purpose of advancing money to the farmers. There is no reason why this should not be done just as well by the banks of the United States, especially with clients whose position is known to be sound. Ecuador has a long time trade with the United States and practically all of its products are adapted to the markets of this country. The prospect of a return trade is favorable and only requires an exertion of adaptability and intelligence on the part of American exporters. The effect of the Panama Canal in extending beneficial trade relations will no doubt prove very important, and should be accompanied by the establishment of steamship lines which will allow for frequent and regular shipments direct, without transshipment, between ports of Ecuador and ports of the United States.

These principal features of trade should be accompanied by improved postal facilities, more convenient laws affecting travelling salesmen, and the introduction of samples. A careful study of conditions leads inevitably to the conclusion that an honest mutual effort on both sides must be successful and result in conditions for which it was the purpose of the Conference to pave the way.

Peru

Area, 680,000 square miles; Population, 4,500,000; Language, Spanish; Capital, Lima; Population, 150,000.



CONFERENCE COMMITTEE

Chairman,

HON. ISAAC ALZAMORA,

Official Delegation,

HON. ISAAC ALZAMORA,

HON. EDUARDO HIGGINSON,

Special Guest of the Secretary of the Treasury,
THE MINISTER OF PERU,

Representatives from the United States,

Harding, Hon. W. P. G., Federal Reserve Board,
Washington,
Allen, F. W., Boston.

Arnold, J. J., Chicago.
Babson, Roger W., Boston.
Douglas, Wm. H., New York.
Duval, G. L., New York.
Fairchild, Samuel J., Fairchild Bros. & Foster, New York.
Grace, Joseph P., New York.
Kretz, George H., National Park Bank, New York.
Meeker, Arthur, Armour Grain Co., Chicago.
Mitchell, C. D., President Chattanooga Plow Co., Chattanooga.
Reynolds, Geo. M., Commercial & Continental National Bank, Chicago.
Dr. Henry Erwin Bard, Group Secretary.

Data Brought by the Delegation

THE Peruvian delegation consisted of a former Vice-President of the country, one time minister of foreign affairs and now a member of the Peruvian Congress, Mr. Alzamora (who was chairman of the committee), and the Peruvian Consul General at New York, Mr. Higginson.

The memorandum submitted by this delegation described, very fully, the general measures undertaken by the Peruvian Government to counteract the disturbed conditions resulting from the war and also gave a general review of the commerce and finances of the country. In order to avoid a panic and prevent runs on the banks on the outbreak of the war, the Peruvian Government declared a moratorium for a year. In order to counteract conditions produced by the disappearance of gold coin, the Peruvian and foreign banks in Lima were authorized to issue checks to bearer aggregating \$12,500,000, and at the same time the government prohibited the exportation of gold as well as that of coined silver. As a supplementary measure to tide over the crisis, the Congress passed a law reducing the expenses of the republic 30 per cent, and increasing the tax on alcohol and tobacco by 20 per cent. These measures are slowly producing tangible results of a favorable nature.

The greatest source of revenue in Peru is that derived from customs duties. Since 1896 the aggregate revenue of the country has increased a little over 300 per cent. Since the outbreak of the war in Europe, however, all the principal re-

sources of revenue, including customs duties, the tobacco monopoly, the salt monopoly, and tax on spirits, have all shown a decrease of from 20 to 40 per cent, which has been a source of embarrassment to the government. Although the issue of bearer checks, referred to above, has for the present and for practical purposes eliminated gold coin from general circulation, the monetary system is still on a gold basis, the unit being the Peruvian gold pound, the equivalent in value to the British pound sterling. As the bearer checks are guaranteed 20 per cent in gold, 30 per cent in mortgage bonds, warrants, etc., and 50 per cent commercial paper and valuable securities, approved by a special committee, the situation has not resulted in any real inflation of the currency. The national debt of the country is stated to be \$6.50 per capita of the population.

There is no special authorization required for the establishment of a bank. Foreign companies which desire to operate or establish branches in Peru, must inscribe their statutes and other documents in the merchantile register in the same way as required by Peruvian companies, and must also deposit their certificate of incorporation, legalized by a Peruvian consul, which will prove that they are duly constituted and authorized by the laws of their respective countries. All banks must have in their vaults at least one-fourth, in sterling, of the amount of their indebtedness to the republic. Like all industrial concerns, the banks are further required to make payments to the government, for the privilege of operating, calculated at the rate of 5 per cent on net earnings. No bank is authorized to issue paper money at the present time.

The principal incentive for increased commercial relations with the United States is capital for permanent investment. A brilliant future is predicted for agricultural, land and real estate banks, the want of which is acutely felt. Vast tracts of fertile land, still unexplored, could be developed and the land owners and farmers assisted in handling and increasing their crops. However, the early establishment of an American bank is urgently required, and would also

lead to a further desirable feature, namely, the establishment of branches of American commission houses and manufacturers' agencies in Peru.

The opening of an American bank would not only secure and facilitate the management of American capital which might be invested but could contribute to enterprises of a more ambitious nature which await development. Such is the proposed construction of railways from the coast to the interior region around the head waters of the Amazon which would open up vast and unexplored territory of great natural wealth. Three of such roads are under survey but the undertaking still awaits the necessary capital. The extension of American interests and close relations with Peru, could also be facilitated by a direct fast passenger service from New York to

Callao, so arranged as to avoid quarantine difficulties, which at present cause so much unnecessary delay by the Panama route.

Results of Committee Conferences

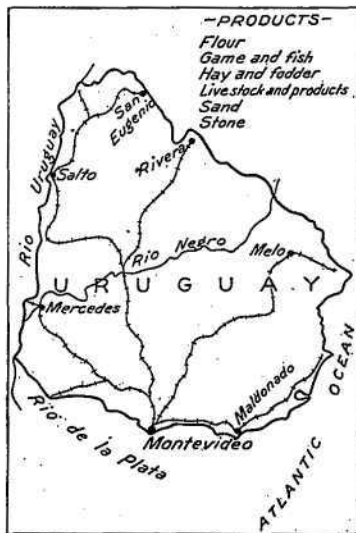
The Conference Committee endorsed the general suggestions set forth in the memorandum of the Peruvian Delegation. The establishment of branches of American banks was urgently recommended, as well as measures to favor and facilitate the placement of South American loans in the financial markets of the United States. The committee also recommended the adoption of the method commonly employed by the financial institutions of England and Germany in the trade with Peru, whereby resources are placed at the disposal of foreign commerce. This, in the main, is accomplished by discounting long term

bills drawn by manufacturers on export merchants.

To supplement these measures for developing finance and trade, the committee urged more uniform laws affecting trade and commerce; more effective protection of trade marks; the establishment of bonded warehouses, and strongly endorsed the principle of international arbitration of commercial disputes. The committee concluded with a final recommendation that the Pure Food and Drug laws of the United States should be extended to exports from this country to Peru and other Latin American countries, and expressed confidence that the reports of the various group conference committees would lead to tangible and permanent results in the interest of each country.

Uruguay

Area, 72,210 square miles; Population, 1,300,000; Language, Spanish; Capital, Montevideo; Population, 400,000.



CONFERENCE COMMITTEE

Chairman.

HON. PEDRO COSIO.

Official Delegation.

HON. PEDRO COSIO.

HON. GABRIEL TENA.

HON. CARLOS MARIA DE PENA.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF URUGUAY.

Representatives from the United States.

Rublee, Hon. George, Federal Trade Commission, Washington.

Bixby, William K., American Car and Foundry Co., St. Louis.

Butterworth, William, President Deere & Co., Moline, Ill.

Eldridge, H. R., Vice President National City Bank, New York.

Grenstad, Hon. N. A., U. S. Consular Service.

Keith, Charles A., Keith & Perry, Kansas City.

Le Gendre, William C., New York.

O'Brien, Edw. C., New York.

Rovensky, J. F., National Bank of Commerce, New York.

Shirley, James J., New York.

Townley, Calvert, Westinghouse Electric & Mfg. Co., East Pittsburgh.

Wheeler, Harry A., Vice President Union Trust Co., Chicago.

H. Ralph Ringe, Group Secretary.

Data Brought by the Delegation

ALTHOUGH Uruguay is the smallest republic in South America, and the last one to be settled, it has already become one of importance and wealth, its foreign trade aggregating about \$100,000,000 a year. Much of this rapid development of wealth may be attributed to the fact that already in this small country there are some 1,600 miles of railway, and particularly because very few countries of the world have such natural advantages for inland transportation by water as has Uruguay. Almost every plantation owner in the country is in direct communication with the capital and principal seaport, Montevideo, by means of a network of natural waterways. In other words the difficulties and expenses of transportation, which have

proved such a drawback to the commercial and industrial development of many other Latin American republics, have already been solved in Uruguay. It is natural that a country which has made such rapid and substantial advances should have been thoroughly prepared to cope with the situation produced by the war.

The Uruguayan delegation to the Conference, consisting of the Minister of Finance, a member of its Congress, and the Uruguayan Minister at Washington, had made extended preparations for laying the conditions and problems of Uruguay before the delegates.

Data Brought by the Delegation

Although destined to be one of the greatest grain producing countries of South America, Uruguay is as yet one great cattle range, and the exports from this industry represent about nine-tenths of all its foreign shipments. The first effects of the war, consequently, required measures to stabilize credits both at home and in the relations of its merchants with other countries. This was accomplished primarily by putting into effect measures which practically resulted in a moratorium. The Bank of the Republic has been authorized to defer converting its bills into gold to a period of three months after the termination of the European war, while private banks have been empowered to make use of their gold reserves by depositing them with the Bank of the Republic, and receiving in exchange the bills of this government bank.

The export of gold was also prohibited and other measures passed for deferment of payments of various kinds. The total gold deposits of the Bank of the Republic, at the beginning of March, resulting from the measures described, amounted to over \$16,000,000, against which there was outstanding an issue of bills amounting to \$23,000,000. As the government relies for its principal revenue on customs duties, the foreign trade of this country is very important, and has a very interesting bearing in regard to the United States. Up to the beginning of the war the United States stood third in Uruguay's foreign trade, Great Britain being first and Germany second. The balance of trade thus far has been strongly in favor of Uruguay, owing to the fact that our consumption of her wool, hides, meats and other articles, exceeds the consumption in Uruguay of American manufactures, iron and lumber.

Results of Committee Conferences

The Conference Committee, in its final report, confined itself to specific recommendations based on a series of questions propounded by the delegates of Uruguay, and upon a memorandum which they had also prepared. The committee came to the conclusion that it is absolutely essential to the development of commercial relations between the American republics for adequate ocean transportation facilities to be promoted, whether by removing legal restrictions, granting direct or indirect subsidies, or both. The necessity of uniform weights and measures was also urged, together with a recommendation that until something definite could be done, merchants should adopt a practice of making out bills of lading on a basis of the metric system. Increased cable communication, and the development of wireless systems, and the adoption of an international money unit by all the American republics, were also recommended.

The question of commercial credits was given particular attention, being in the opinion of the committee a matter of prime importance for the proper development of all trade relations in the Americas. If American banks can arrange to discount freely, at favorable rates, drafts drawn at terms up to six months sight, based on reliable credit information which Latin American banks must undertake to provide, very much would already have been accomplished. The committee also urged upon Central and South American banks to open credits in favor of clients who are not able to furnish balance sheets of profit and loss, or other statements of credit standing, which could be accepted by North American correspondents. The committee concluded with recommendations for all North American countries to enter the South American postal union, the improvement of customs regulations and reciprocal tariff arrangements, the exchange of students in the higher business schools between the American countries, and the establishment of merchantile museums in such schools. The committee added a final interesting proposal to the effect that all the American republics should give consideration to lowering import duties on the primary materials and articles necessary for life and raising the duties on superfluous articles, and articles of luxury.

In reviewing the trade of Uruguay with the United States, the following passages from the memorandum of the delegation regarding two of its principal products afford an excellent illustration of the present situation:

"Upon closely examining the importation tables one can see from the start that Uruguay sold to the United States during the fiscal year of 1914 products to a greater value than during the three preceding years, 1911, 1912, and 1913, in the aggregate.

Meat products.—It is noticeable likewise that the designation of meat products appears for the first time in large amounts. During the first four years of the last period of five years the annual sales to the United States of these products of Uruguay did not reach more than \$200,000. In 1914 this item amounted to \$2,533,262. These figures refer merely to the direct exportations from Montevideo to New York from October, 1913, until June, 1914. During the same period there were exported to Europe meat products of Uruguay valued at \$741,000, thus giving a total of \$3,274,262, represented by 16,882,210 kilograms. As is well known, this extraordinary increase of our sales of meat products to the American Union owes its origin to the last amendment of the United States tariff, which placed these products in the list of articles that entered the country free from duty.

On account of the European war the entries of Uruguayan meat products went down considerably during the second half year. The exportations from our country are diverted to European markets, whose military administrations pay 2, 3, and 4 cents more per pound. However, the United States received Uruguayan meats for the value of \$1,144,546 during the last six months of the year, and moreover, they sold to the Governments of the belligerent countries several cargoes of Uruguayan meat, the same having arrived in the ports of the United States.

Hides.—During the fiscal year of 1914, 6,496,340 kilograms of cattle hides from Uruguay

Venezuela

Area, 393,976 square miles; Population, 3,000,000; Language, Spanish; Capital, Caracas; Population, 73,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PEDRO RAFAEL RINCONES.

Official Delegation.

HON. PEDRO RAFAEL RINCONES.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF VENEZUELA.

Representatives from the United States.

Harris, Hon. William J., Federal Trade Commission, Washington.
Cornell, Charles L., Treasurer Niles-Bement-Pond Co., New York.
Edison, John Joy, Washington Loan & Trust Co., Washington.
Lyery, Charles A., President First National Bank, Chattanooga.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington.
Price, Theodore H., New York.
Sachs, Samuel, Goldman, Sachs & Co., New York.
Warren, Charles B., President Board of Commerce, Detroit.
Williams, R. Lancaster, Middendorf, Williams & Co., Baltimore.

Yanes, Francisco J., Assistant Director Pan-American Union, Washington.

Dr. Alberto Nin-Frias, Group Secretary.

Data Brought by the Delegation

FOR a number of years Venezuela was the only South American country which had direct steamship connection with the United States, by a regular line of steamers flying the American flag. Consequently it might be expected that its trade with the United States should constitute the largest item of its exports and imports. At the same time many opportunities are still open for improving the general condition. In the first order of importance, means of regular communication with the United States by steamers of ample tonnage, need to be established. It is reported that the American line of steamers, which, for some 20 years, has maintained a regular service to Venezuela, under a mail contract with the Post Office Department, concluded, under the terms of Ocean Mail Act of 1891, are slower, smaller and inferior in accommodation to the steamers of the French and the Royal Steam-Packet Company which maintain connections with Europe. The committee also pointed out that while the parcel post service already existed between Venezuela and the United States, there was no money order service, and that the lack of such service should be remedied.

Results of Committee Conferences

In extending inter-American markets, the conference committee of Venezuela, like practically all the other conference committees, called attention to the necessity for establishing satisfactory credit relations between the two countries. Venezuela, being primarily an agricultural country, the question of credits is an important one. Arrangements for disseminating reliable information, to serve ultimately as the basis for establishing and developing commercial credit relations, are very much desired, and means to

that end should be undertaken by banks in both countries. It is only necessary that American exporters should meet the credit conditions prevailing in the country, and especially see to it that goods are packed in such a manner as to meet not only the requirements of the customs regulations, but the desires and uses of Venezuelan customers. In view of the fact that amicable relations can always be furthered by the proper dissemination of reliable news through the newspapers, the committee urged that newspapers and periodicals in this country, as well as in Venezuela, should interest themselves in well-authenticated news reports.

Although some mining industries are established, including asphalt, agriculture is nevertheless the principal industry of the country. At the present time coffee and cacao are the principal exports. Next in importance is cattle raising and the shipment of live cattle and hides. In a country with such extended territory, as Venezuela, the total railroad mileage is nevertheless only about 500 miles. For a full development of its natural resources an extension of railways is necessary, and as capital for this purpose must be procured from outside, a further opportunity is afforded to American financial interests. A similar field is open in establishing electric light and power plants which, at the present time, are only partially developed.

The monetary system of Venezuela is established on a sound gold basis and no paper money is legal tender in the country. The national debt of the country, both internal and external, aggregates about \$34,000,000, which amounts approximately to about \$10 per capita of population. All interest on the debt of the country has been promptly paid during the trying time of the European war, and the committee, in concluding its report, reiterated its conviction that the improvement of steamship service will lead naturally to an increase in trade relations such as is justified by the favorable condition of the country.

Paraguay

Area, 196,000 square miles; Population, 800,000; Language, Spanish; Capital, Asuncion; Population, 90,000.



CONFERENCE COMMITTEE.

Chairman.

HON. HECTOR VELASQUEZ.

Official Delegation.

HON. HECTOR VELASQUEZ.

HON. WILLIAM WALLACE WHITE.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF PARAGUAY.

Representatives from the United States.

Wells, Rolla, Governor Federal Reserve Bank, St. Louis.
Boyd, L. C., Indianapolis.
de Navarro, Alfonso, Vice President Atlas Portland Cement Co., New York.
Erskine, A. R., South Bend.
Fahy, John H., Boston.
Hepburn, A. R., Chase National Bank, New York.
Mallock, Robert F., American National Bank, Atlanta.
Martin, Wm. McC., Chairman Federal Reserve Bank, St. Louis.
Owett, Hon. J. Van Vechten, President Pan-American States Association, New York.
Patching, Robert H., New York.
Harold Clarkson, Group Secretary.

Data Brought by the Delegation

THE Republic of Paraguay is the only one of the Latin American republics, except Bolivia, which has no sea coast. For its communication with the outside world, it relies principally upon the great waterways afforded by the rivers Paraguay and Parana, which ultimately unite to form the La Plata, which flows between the shores of Argentina and Uruguay into the South Atlantic.

The situation in Paraguay is indicated to some extent by the relation of its total population of 800,000 to its area of 196,000 square miles, that is, an average of about 4 inhabitants for each square mile of territory. As a matter of fact, half of the country is covered by forests. At the same time, a mild and healthful climate and a fertile soil offer facilities for the cultivation of oranges, cotton, sugar cane, Indian corn, wheat, coffee, cocoa and a number of other products of sub-tropical and tropical countries. The very names of the fine timber available in the virgin forests are unfamiliar to the average person, for instance the Ibyrapyta, which affords wood suitable for paving blocks; Guayaybi, which resembles American hickory and is said to be superior to it; the Curupay, said to be of almost indefinite durability, weather-proof, its bark being utilized also with excellent results for the tanning it contains.

The country also is claimed to offer opportunities for cattle raising which are worthy of very much greater development, and already one American firm has applied for a concession to establish a refrigerating plant for chilled beef. The country is also not without mineral resources but, as yet, they are undeveloped. Railway transportation is little developed but the numerous tributaries of the two great rivers of the republic do not render this such a serious handicap as it might otherwise be.

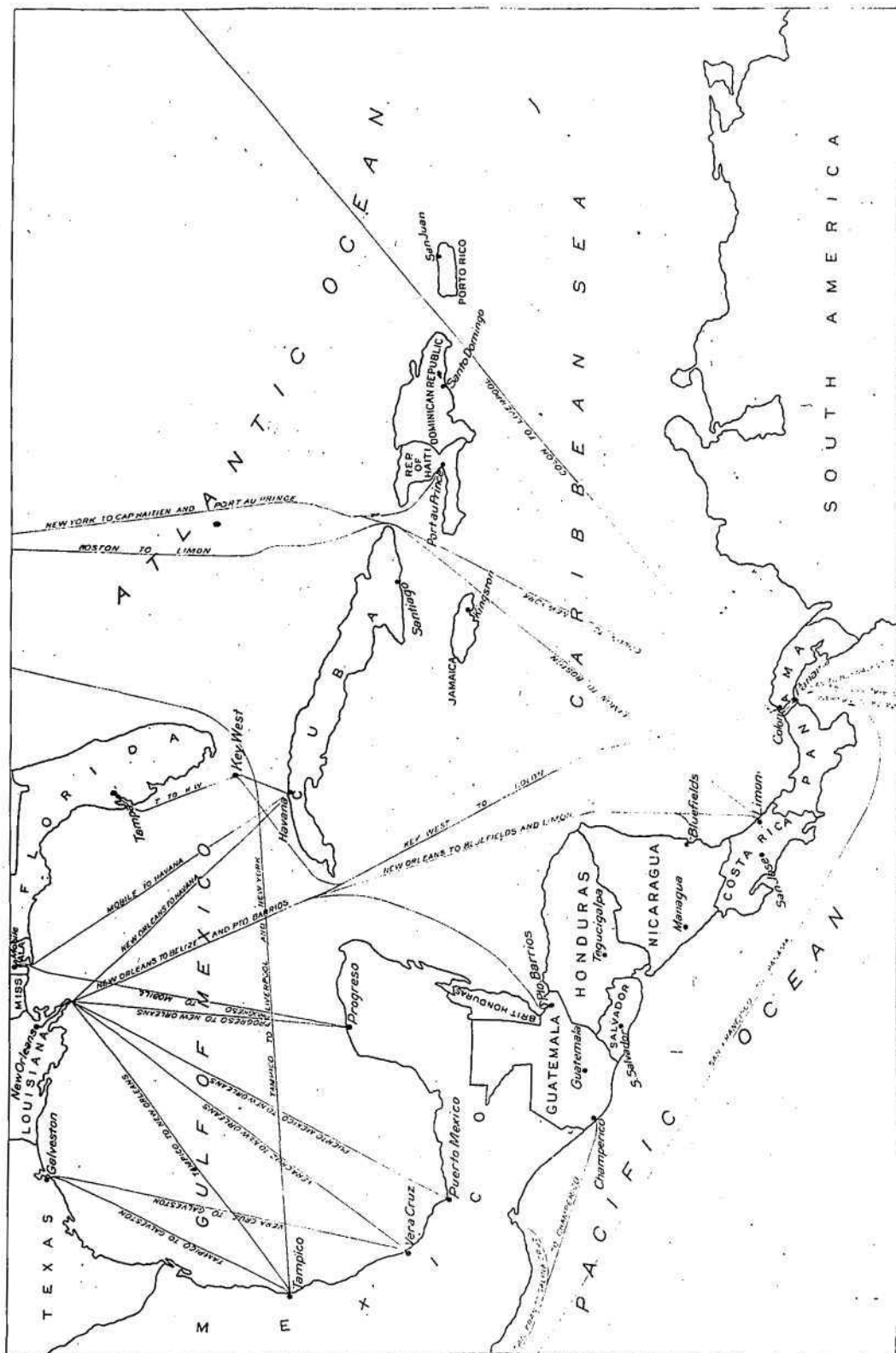
Status of Paraguayan Banks

There are four principal banks in the country

with an authorized capital aggregating an approximate total of \$50,000,000. All of these banks have their headquarters at the capital, Asuncion, with branches in the interior cities. They conduct a general business in discounting bills and notes, current accounts, savings accounts, time deposits, foreign drafts, etc. Banking operations in the country, however, are confronted with the constant preoccupation of fixing and maintaining the ratio of exchange for paper money. At the rate of 1,500 per cent, which is claimed to be moderate, the amount of paper in circulation is equivalent to \$8.33 gold per capita of the population. The government is constantly endeavoring to give the nation a sound currency, but has been much handicapped by the war. In spite of this fact, the foreign debt which at present amounts to about \$3,250,000 gold, is not large and the interest on it has always been paid scrupulously on time. The principal sources of revenue are import and export duty, a land tax, a postal tax, and internal revenue taxes. The foreign trade of the country aggregates between ten and fifteen millions of dollars, of which sixty per cent or more consists of imports from foreign countries.

Results of Committee Conferences

The conference committee in considering the conditions of Paraguay as set forth in the memorandum of the Paraguayan delegate, Mr. Velasquez, the Minister of Paraguay at Washington, reached the conclusion that the steady development of Paraguay's latent resources requires foreign capital which, at least while the European war continues, is not obtainable in the European money market. It is, consequently, apparent that judicious investment of American capital would be a powerful aid to the export of United States products by expanding the wealth and purchasing power of Paraguay. The paper money of the country has largely depreciated in value, owing to various causes, among them the limited supply of gold.

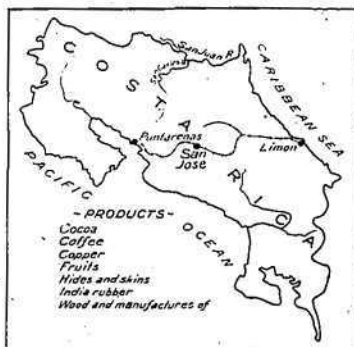


CARIBBEAN AMERICA—THE COUNTRIES OF CENTRAL AMERICA AND THOSE OF THE WEST INDIAN ISLANDS WHICH WERE REPRESENTED AT THE CONFERENCE.

The main lines of water transportation from these countries to American ports are shown in this map, no indication being made of the lines of communication with Europe. Railroads are shown on maps of separate countries, treated in the pages immediately following.

Costa Rica

Area, 23,000 square miles; Population, 411,000; Language, Spanish; Capital, San Jose; Population, 55,200.



CONFERENCE COMMITTEE.

Chairman.

HON. MARIANO GUARDIA.

Official Delegation.

HON. MARIANO GUARDIA.

HON. JOHN M. KEITH.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF COSTA RICA.

Representatives from the United States.

Newton, Hon. Byron R., Assistant Secretary, Treasury Department, Washington.

Aerts, G. A., Export Manager Rudolph Wurlitzer Co., Cincinnati.

de Lima, E. A., 58 West Eighth Street, New York.

Hardy, Caldwell, Norfolk.

Harper, R. N., President District National Bank, Washington.

Kelly, N. B., General Secretary Chamber of Commerce, Philadelphia.

Kiler, Charles A., Champaign, Ill.

Pierson, Lewis E., President Austin Nichols Co., New York.

Rich, John H., Minneapolis.

Theo. C. Lurman, Group Secretary.

Data Brought by the Delegation

THE conference report of the Committee on Costa Rica was presented by the Chairman, Mr. Mariano Guardia, Minister of Finance of the republic. In treating of general conditions the report followed closely the subjects suggested by the Secretary of the Treasury in his preliminary announcement regarding the work of the conference as a whole. Although there are known to be considerable

mining deposits in Costa Rica, there is but little mining at present in the country, except for gold, the export of which, with some silver, amounts to about \$900,000 a year. The balance of the \$10,000,000 worth of products exported annually consists largely of bananas and coffee, most of which goes to the United States.

The total debt of the country at present aggregates about \$17,000,000, distributed as follows: \$8,000,000 English credit; \$7,000,000 French credit; \$2,000,000 scattered. The monetary situation is normally satisfactory and established on a gold basis, the only difficulty that has arisen being due to temporary disturbances arising from the European war. As a consequence, the Costa Rican government was forced to suspend the law of paper conversion which stipulated that the bank note issues of the country must be redeemed in gold. It was impossible to maintain the operation of this law, for the reason the country would have been depleted of gold, and the stability of banks would have been jeopardized.

As a temporary measure to cover the deficit of revenues and assist merchants and farmers over the crisis, the government established the International Bank, with a restricted issue of bank notes to the amount of 4,000,000 colones (1 colon being equal to about 64.5 cents American gold). This issue was secured by 6 per cent interior bonds with certain exterior refunding bonds aggregating approximately \$2,600,000 American gold. The operation of this bank was designed to assist the principal banks of the country, which in ordinary conditions furnish adequate facilities for banking and mercantile operations.

The most urgent need of merchants in Costa Rica is that of adequate credit facilities. The transactions of European markets have been on longer terms and at more favorable rates of interest than those usually obtained in the United States. It is hoped, however, that, by means of the facilities now accorded United States national banks under the Federal Reserve Act, to give acceptance to long-term drafts arising from exports and imports, a means is at hand for providing the merchants of Costa Rica with facilities which will be comparable to those they have enjoyed with European countries. It is only necessary for United States banks to form close connections with the banks of Costa Rica, and co-operate in opening commercial credits to local merchants. The Chamber of Commerce of Costa

Rica, it is reported, is prepared to furnish credit ratings of merchants in that country and stands ready to cooperate with the Chamber of Commerce of the United States and mercantile agencies here, to the end that this information may be published in such a manner as to be available to American merchants and manufacturers. The committee therefore urged the compilation of similar information covering all other South and Central American countries which would immeasurably expedite trade transactions with the United States.

The extension of credit terms to which Costa Rican merchants have become accustomed is essential for the development of inter-American markets. European correspondents have not hesitated to give credits, ranging from six months to a year. Direct exchange with the United States already exists, and shipments between the two countries are not financed through Europe. Consequently, it is possible for the bankers in both countries to cooperate, to the fullest extent, in granting commercial credits based on American acceptances which could be discounted through the Federal Reserve Banks.

Results of Committee Conferences

In some respects Costa Rica is in a better position than some of its sister republics. The conference committee reported that there are ample shipping facilities for ocean transportation, and excellent passenger service. Regular money-order and parcel post services are already in existence. The government has also passed legislation for the establishment of bonded warehouses and public stores for the issuing of government warrants against the commodities warehoused. The plan is similar to the one which already prevails in Argentina. Furthermore, the customs regulations of Costa Rica give the greatest facility to importers in case of delay in receiving shipping documents. Foreign patents and trade marks are also well protected.

The committee heartily endorsed the establishment of some sort of machinery for the arbitration of commercial disputes, and suggested a joint committee of chambers of commerce, representing the countries concerned in any given controversy. The chief need of the country thus appears to be the extension of foreign banking facilities and commercial credits, and the committee registered its opinion that the conference, as a whole, was very timely for an exchange of views between all the countries concerned, which should result in practical and lasting benefits.

Honduras

Area, 46,250 square miles; Population, 600,000; Language, Spanish; Capital, Tegucigalpa; Population 40,000.



CONFERENCE COMMITTEE.

Chairman.

HON. LEOPOLDO CORDOVA.

Official Delegation.

HON. LEOPOLDO CORDOVA.

HON. D. FORTIN.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF HONDURAS.

Representatives from the United States.

Strong, Benjamin, Jr., Governor Federal Reserve Bank, New York.

Defrees, Joseph H., Association of Commerce, Chicago.

Fisher, Edmund D., City Deputy Comptroller, New York.

Gallagher, W. T., President American National Bank, Washington.

Goldstein, L. S., New Orleans.

Harris, A. M., Harris, Forbes & Co., New York.

Imhoff, C. H., Vice President Irving National Bank, New York.

Jones, De Witt Clinton, American Dyewood Co., New York.

McCroskey, James Warren, J. G. White & Co., New York.

Toby, Geo. P., A. B. Leach & Co., New York.

Esteban S. Garcia, Group Secretary.

Data Brought by the Delegation

THE delegates from Honduras prepared a report as to the conditions and needs of the country following the outline of subjects suggested by the Secretary of the Treasury to be considered by the different group committees. The Conference Committee for Honduras as a whole in its final report used large portions of the report of the Honduras delegates. The subjects considered included public financing, the monetary situation, the present banking situation, the financing of public improvements and private enterprises, the extension of inter-American markets, and transportation.

The principal banks in Honduras are the Bank of Honduras, the Banco de Comercio, and the Banco Atlantida whose operations are confined to mortgages and short time loans at rates of interest from 10 to 12 per cent per annum and to a small extent to the sale and purchase of ex-

change on foreign countries. While commercial intercourse between Honduras and the United States could be benefited by the investment of American capital in local banking institutions and by the establishment of branches by United States banks as now authorized under the Federal Reserve Act, the committee did not think this step immediately necessary. It rather inclined to the opinion that, if the banks now located in Honduras will make the effort, they will be able to establish satisfactory credits with banks in the United States, quite adequate for the business between the two countries.

On the other hand, the establishment of the gold standard in Honduras would be a very desirable reform. It is probable, however, that there would be some difficulty in carrying this out until the country's foreign debt, now in default, had been adjusted. At present, the monetary standard is the silver peso valued at about 36 cents American gold. It is supplemented by the notes of private bankers. The foreign debt has proved a considerable weight upon the credit of the republic. It consists principally in bonds issued for the construction of the railway from Puerto Cortez to La Pimienta and the arrears of interest unpaid on these bonds, most of which appear to be held in British hands. The internal debt, which represents an accumulation from old

loans made to the government for deferred payments and from losses caused by revolutions is being steadily reduced. For this purpose the surplus revenues of the republic for two successive years have been expended, with the result that nearly 20 per cent of the total has now been paid off.

Consequently at the beginning of the European war the internal public finances of Honduras were in a favorable condition due to a more systematic collection and management of various sources of revenue, chiefly derived from import and export duties and a monopoly on rum made from sugar cane. The actual receipts were larger than those estimated and very much exceeded the expenses of the government. Some of the surplus was therefore available for the improvement of the cart road leading from the capital to the Pacific coast and the port of Amapala and to the improvement of the road bed and rolling stock of the railroad from Puerto Cortez to La Pimienta on the Atlantic side. The country is still suffering, however, from the prolonged drought of the last two years which resulted in short crops in all the important districts in the center and south of the republic. This has perhaps caused difficulty even greater than the European war and the government, in order to forestall a deficiency and avoid raising additional taxes, has been reduced to rigorous economies in expenditure. While additional capital is therefore urgently needed in many fields of gov-

ernment enterprise, arrangements for additional taxation and the adjustment of the existing foreign debt would have to be made before satisfactory action could be taken by American bankers.

The position with regard to private financial enterprises is somewhat different, and there is apparently an excellent field for various public utilities owing to the fact that, at the present time, there is not a gas company nor a street railway in the republic, and electric lighting undertakings exist only in three of the cities, namely, Tegucigalpa, San Pedro Sula and Ceiba.

For the better conducting of any increased commercial relations with the United States and other Latin American countries, attention must be given in Honduras to the questions of laws and regulations governing trade marks, bank credits, commercial contracts, negotiable instruments and the handling of goods through custom houses. The government of Honduras has intimated that it will gladly cooperate with other countries in adopting uniform laws and procedures in these matters.

Results of Committee Conferences

Owing to the conditions described above, the committee reported that Honduras perhaps as much as any other Latin American country requires long-term credits as a means of stimulating inter-American trade and a good deal of at-

tention and study on the part of American manufacturers in order to adapt their manufactured products to the market in Honduras. Included in such an extending of trade, proper packing of merchandise is essential, not only in order to meet customs requirements but also to insure safe delivery as, except for the single railway, transportation throughout the country is rough and frequently difficult.

The improvement of ocean transportation facilities is of immediate importance. The only line of steamships at present serving the Pacific coast of Honduras is the Pacific Mail Steamship Company whose steamers are neither fast nor large and whose calls at Amapala are not very frequent. The government of Honduras is prepared to give liberal subsidies to a company that would undertake to send its steamers to Amapala on the Pacific coast at least every ten days, such a service to extend as far south as Balboa and as far north as San Francisco. With the improvement of ocean transportation and the increase of commercial relations with other countries the Honduras Conference Committee strongly urged the necessity of a Pan American Board of Arbitration for the settlement of trade disputes. It was urged that nothing would do more to stabilize credits and further the investment of foreign capital and stimulate cooperation than an effective Board of Arbitration of this kind.

Guatemala

Area, 48,290 square miles; Population, 2,119,165; Language, Spanish; Capital, Guatemala City; Population, 125,000.



CONFERENCE COMMITTEE

Chairman.

HON. VICTOR SANCHEZ OCANA.

Official Delegation.

HON. VICTOR SANCHEZ OCANA.

HON. CARLOS HERRERA.

HON. JUAN LARA.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF GUATEMALA.

Representatives from the United States.

Malburn, Hon. Wm. P., Assistant Secretary, Treasury

Department.

Francis, Hon. David R.

Jay, Pierre, Chairman Federal Reserve Bank, New

York.

Minotto, James, Guarantee Trust Co., New York.

Owen, T. Hart, President Farmers' Deposit & National

Bank, Pittsburgh.

Perry, Marsden J., Providence.

Rupert, J. G., Amsinck & Co., New York.

Shapleigh, A. L., President Commercial Club, St. Louis.

Swiggett, Dr. Glen L., Pan-American Union, Wash-

ington.

Warden, Charles W., President Continental Trust Co.,

Washington.

H. W. Branch, Group Secretary.

Data Brought by the Delegation

GUATEMALA, the northernmost of the Central American republics, extends from the Atlantic to the Pacific side of Central America. The bulk of the population, however, is located in that half of the republic that lies towards the Pacific. Nevertheless, it is on this coast that steamship communication with the rest of the world is less frequent.

While lying in the torrid zone, most of the country is from 4,000 to 11,000 feet above the sea and, consequently, the climate is generally quite healthy and agreeable. It is pre-eminent-

ly an agricultural country in which coffee constitutes about 80 per cent of the export trade. There has also been a considerable development in bananas and sugar growing. Nevertheless, although some 60 per cent of Guatemala's imports come from the United States, most of its exports go to Germany, only about one-third being sent to this country.

Results of Committee Conferences

The conference report of the Guatemala committee closed with a recommendation that one of the members, Hon. David R. Francis, of St. Louis, be sent by the Government of the United States to visit Guatemala as honorary commissioner for the purpose of studying on the spot and in conjunction with the members of the Guatemalan delegation the proposed establishment of an improved banking system. The monetary system of Guatemala needs reorganization. To be successful any plan to this end must involve a loan of \$12,000,000 gold in order to place and maintain the country on a gold basis. It was the opinion of the committee that a loan of such proportions is well within the ability of Guatemala to pay and can be raised in the United States if satisfactory terms can be obtained for it. The committee also recommended that the Federal reserve banks devote particular attention to promoting commercial relations between the American republics and that by the quotation of forward exchange rates, by the establishment of branches or agencies and by such other appropriate functions as the law permits the Federal reserve system will exercise a potent influence in establishing credits and facilitating the movements of imports and exports.

The committee reports that there is a stable republican form of government in Guatemala and that there has been no revolutionary movement of any kind in seventeen years. Consequently the assistance of foreign capital and the establishment of a gold standard will find an immediate response in the development of the country. At the present time, outside of the city of Guatemala, there is not a tramway system in the country nor are any of the cities large enough really to support one. Even in Guatemala City itself, with its 125,000 inhabitants, the tram line is still run with horse and mule power. There are, however, opportunities for American capital to finance public utilities of various kinds, whether in the way of lighting and power plants or some improvements such as sewerage construction.

The railroads are already owned practically entirely in the United States and this, in fact, constitutes almost the only investment of American capital on a large scale in Guatemala.

Owing to the fact that no warehouses exist under public ownership or regulation, there are no warehouse receipts. The foreign trade of the country is financed principally by means of acceptances and bills of exchange. One of the most effective methods of developing the country and increasing foreign trade would be to have American manufacturers of agricultural implements ship machines for demonstrating purposes to different parts of the country with their own demonstrators and that the government of Guatemala be requested to supervise this demonstration in instructing agriculturalists of the country in proper methods of cultivating land and using tools and machinery of modern invention.

The resources of Guatemala in valuable woods need development. Improved transportation facilities are needed to bring the wood in the rough to the mills. Portable saw-mills which would enable timber to be cut at growth would be introduced to great advantage. Improved sugar-cane milling machinery is also needed and the attention of American manufacturers to the demand for machinery of this kind is strongly urged. The Committee was very strongly of the opinion that American manufacturers and exporters should give special attention to packing merchandise in such a way as to conform not only with customs regulations, but also to the transportation requirements of the country. This would do much to popularize American commodities and manufactures and could be properly supplemented if some arrangement could be made for the establishment and maintenance in Guatemala City of a permanent exhibition of American goods which at the present time are much less known than European wares.

The report of the Guatemala Conference Committee closed with a number of interesting recommendations including the establishment of a uniform postal system for all American countries and a uniform classification of goods for customs purposes. It was also urged that American merchants should definitely adapt themselves to granting credits of no less than 90 days, sight, for the payment of purchases in Latin American countries. As knowledge and understanding can always improve the mutual interests of two nations which do not speak the same language, the committee urged the study of Spanish in all American schools and colleges and also suggested that American institutions of learning should arrange special facilities for picked young men from Latin American schools to take up courses in political economy, finance and other subjects bearing on commerce and trade, in order that they might return to their respective countries with ideas, experience and knowledge which would serve the mutual advantages of both countries.

Nicaragua

Area, 49,200 square miles; Population, 600,000; Language, Spanish; Capital, Managua; Population, 40,000.



CONFERENCE COMMITTEE

Chairman,

HON. PEDRO RAFAEL CUADRA,

Official Delegation,

HON. PEDRO RAFAEL CUADRA,

HON. ALBERTO STRAUSS,

HON. C. D. HAM,

Special Guest of the Secretary of the Treasury,
THE MINISTER OF NICARAGUA.

Representatives from the United States,

Ingle, Wm., Chairman Federal Reserve Bank, Richmond.

Austin, Richard L., Chairman Federal Reserve Bank, Philadelphia.

Brown, James, Brown Bros. & Co., New York.

Namson, George H., President National Canners' Association, Baltimore.

Parker, Walter, Manager New Orleans Chamber of Commerce.

Rossell, John S., Vice President Security Trust & Safe Deposit Co., Wilmington, Del.

Smith, Jas. E., St. Louis.

Thompson, Hon. Arthur, Woodward Bldg., Washington.

Wexler, Sol, President Whitney-Central National Bank, New Orleans.

Wood, E. R., Vice President Board of Trade, Philadelphia.

Gonzales A. Lamas, Group Secretary.

Data Brought by the Delegation

THE situation in Nicaragua cannot be better described than in the concluding paragraphs of the memorandum submitted to the Nicaraguan Conference Committee, by the head of the delegation from Nicaragua, Mr. Pedro Rafael Cuadra, formerly Minister of Finance and a distinguished statesman of that country.

"The Nicaraguan Government has been facing a peculiar situation entirely independent of the effects of the war. Almost all of its debts are due and the government has had no time nor has it been in a favorable situation to pay them off or to refund them. Several times it has tried to have recourse to a foreign loan, but it has always failed to accomplish it. Now it expects to apply the \$3,000,000 to be paid under the canal treaty with the United States, now pending in the Senate, to the payment of those debts which are more pressing, paying off the rest with bonds.

"The similarity between our present conditions and those of the United States after the Civil War, has always attracted my attention. To make this comparison clearer I think it relevant to copy the following statement of Prof. Bastable about conditions in the United States after the Civil War:

"The first results of the contest," he says, "were a serious disturbance of industry and commerce, and a great increase of expenditure. No adequate tax system was in existence and accordingly the extraordinary expenditure was at first almost entirely met by the use of paper, Treasury notes, culminating in unconvertible credit issues, and funded debts were both employed. The great financial problems for the Secretary to the Treasury were therefore (1) to pay off, or fund,

the floating debt, and (2) to provide a permanent scheme for the future extinction of the immense liabilities created by the war."—(Public Finance, 653-654).

"I can not find better words to convey, to your attention, a clear idea of our true problems, than those used by Prof. Bastable. The origin of our pressing debts is nearly the same. The Secretary of the Treasury of the United States spent over two years in improving financial conditions. This was possible, especially because of the great resources the national credit put at his command. Needless to say that we have not been so well situated. Our nation's credit is almost nil. We have been trying to build it up to the best of our ability, but the results as yet are not very satisfactory, though we can not be disappointed with those already obtained.

"For this reason it would only accomplish the best of our wishes to secure the cooperation of the Treasury Department of the United States for us to manage successfully these vital problems. We expect something of this kind of cooperation to be the outcome of the Pan American Financial Conference, confident that once having solved our financial problems, our international trade with the United States will increase and prosper to our mutual advantages."

Another evil which has had to be faced has been an inflated currency, always a grave handicap to the development of international trade and commerce. Close economic relations between a country with a sound monetary system and another without one can lead to no mutual advantages. This situation has existed in Nicaragua for more than 15 years. The present government, however, has started a series of economic reforms which are being carried out with firmness. Although no gold coin is yet in circulation, the monetary system is now based on a gold standard, which is maintained at par with the American dollar by means of a "conversion fund" in the United States and Europe, against which drafts are drawn periodically after national demands.

There are three banks in the country, the principal one being the National Bank of Nicaragua (Inc.), 49 per cent of the stock of which is owned by the National Government and 51 per cent by American bankers. This institution does all sorts of banking business and has a special issue department for the maintenance of the national currency. Its capital at present is \$300,000, which may be increased if necessary to meet the country's needs. The two other banks are private credit institutions whose charters were granted by the government. They do all sorts of banking business except the issue of notes.

At present a third of the trade of Nicaragua is with the United States. This may be permanently increased, but only through adoption by American merchants of the same terms of credit as that allowed by Europe before the war. After the outbreak of hostilities, foreign credit was stopped and to prevent the failure of the principal firms the government was forced by public demand to declare a moratorium. Notwithstanding this, prices have continued normal largely because stoppage of importations caused the selling out of much surplus stock. The principal exports are coffee, gold and bananas. Hides, rubber and cattle also are sent abroad.

Although Nicaragua is primarily an agricultural country the methods of farming employed are very primitive. Much could be done in this line by intelligent exploiting of American agricultural implements through agents who would be able to instruct the farmers in the advantages resulting from the use of modern improvements. The present administration of the country has had as an item on its program the fostering of this branch of material prosperity and is favorably disposed to any proper means of improving it.

One of the great problems of the country is transportation. At the moment, the building of highways and railroads is not so pressing as the proper channeling and dredging of its rivers. The Panama Canal has bettered conditions by allowing a coast to coast trade, but this is not a real cure for the evil. In this respect conditions on the Atlantic are worse than on the Pacific, because, in the latter case, there is a good

railroad from Corinto on the Pacific coast to Granada. On the Atlantic side, the best communications are offered by the river San Juan, but neglect of the channel has almost nullified its use for commercial purposes. This situation has arisen not only because of comparatively recent political disturbances, but because the Treasury has been and still is in constant difficulties very largely due to the long period of inflation of the currency. On this point the present government asked a helping hand from the United States. This was finally arranged and the cooperation of two banking firms secured. In still more extended form, an appeal to this country is contained in the treaty between Nicaragua and the United States which is awaiting ratification by the Senate.

Results of Committee Conferences

The Nicaraguan Conference Committee, in reviewing the general situation, were unanimously agreed that the ratification of the pending treaty will give new advantages to both countries, not only in aiding the development of Nicaragua, but encouraging the investment of capital by insuring continuation of the present stable and peaceful conditions. One of the members of the committee, Judge Arthur R. Thompson, a member of the Nicaraguan Mixed Claims Commission, which expired in February, 1915, issued a special statement, emphasizing the beneficial results which the proposed treaty would have on the political tranquility and economic stability of Nicaragua, affording, at the same time, a chance to develop its vast resources. He pointed out also that, in addition to the commercial advantages offered by the treaty, the United States would obtain, for the comparatively small sum of \$3,000,000, a perpetual right to the old Nicaragua canal route, together with a naval base at Fonseca Bay, on the Pacific coast, and an additional naval base on Little and Big Corn Islands, on the Atlantic side. The Secretary of State, in an address in open session on the same subject, pointed out that the treaty has been amended by an additional clause which expressly provides that none of the terms of the treaty should in any way affect the rights of any of the other countries of Central America.

The final report of the Conference Committee is brief and to the point. The present government of Nicaragua, it says, is a stable one, and it is being patriotically administered on safe and sane lines. The natural resources of the country are almost unlimited in extent and of the greatest diversity due to the variety of soil, climate and altitude. The lands in various sections are adapted to the cultivation of coffee, cacao, bananas, coconuts, pineapples and citrus fruits, tobacco, sugar, cotton and rubber, the success of which has been practically demonstrated, but in a crude and limited manner. With adequate transportation facilities the development of resources can readily be increased and find markets both at home and abroad. Vast sections of the country are especially adapted also to the raising of cattle and other varieties of live stock, being covered throughout the year with natural grass of high food value and being well watered by natural streams. However, like all the other industries in the country, the raising of cattle suffers for transportation and marketing facilities.

Geologically, Nicaragua is analogous to the State of Nevada, as a large portion of the mountain section is rich in mineral deposits of both gold and silver. An extensive area is also wooded, with primeval forests of mahogany, cedar and other valuable hardwoods, pine and dye-woods. This promising industry is so little developed that merchantable lumber is actually imported from the Gulf ports of the United States. All of the resources of the country indeed suffer almost equally from insufficient capital necessary to their proper development and lack of transportation facilities, not only from the interior to the ports, but from ports to the outside markets of the world. No more striking illustration of this condition can be given than the fact that inhabitants of the Atlantic coast of Nicaragua are

under the necessity of importing articles from the United States and other countries which are produced by and exported from the Pacific coast, although the two are only separated by an approximate distance of 200 miles.

In view of the unfavorable conditions existing in Nicaragua, and the crying demand for assistance which can best be given by the United States, the Conference Committee recommended the ratification of the pending treaty. It also urged that the national banking laws of the United States be so amended as to permit national banks to subscribe to the stock of banks organized to do business in other countries, up to certain limited specified amounts, thereby enabling banks, particularly those having less than

\$1,000,000 of capital, to become interested in foreign banks.

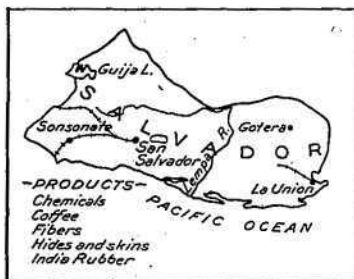
The natural possibilities of Nicaragua are positive, and the cooperation of the United States in their development is a matter of prime importance for all who are interested in the improvement of commercial relations with the Latin American Republics.

The pending treaty is a new departure and is held by many to give the United States powers which it is inadvisable as yet to assume in regard to any country of the western hemisphere. On the other hand the history of the country for the past twenty-five years leads to the single conclusion that some outside support is necessary for its stability. It has suffered from being exploit-

ed for its customs revenues and other resources by unscrupulous politicians, and indeed, since the exploits of Walker in the middle of the last century, has been the victim of a series of disturbances which had in view its latent wealth rather than the welfare of its people. Just what form outside assistance shall take will no doubt soon be decided. It is, however, not to be denied that those who advocate the ratification of the pending treaty, which conveys with it so many tangible and desirable advantages for the United States, have very strong arguments in the shape of the beneficial results which would accrue to the native population of this storm-tossed republic, whose leading representative to the conference was a man of peculiar distinction and attainments.

Salvador

Area, 7,325 square miles; Population, 1,700,000; Language, Spanish; Capital, San Salvador; Population, 75,000.



CONFERENCE COMMITTEE.

Chairman.

HON. ALFONSO QUINONES.

Official Delegation.

HON. ALFONSO QUINONES.

HON. JOSE SUAY.

HON. ROBERTO AGUILAR.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF SALVADOR.

Representatives from the United States.

Burke, Hon. John, Treasurer of the United States.
Arday, J. Howard, City National Bank, Dallas.
Curtiss, Frederic R., Chairman Federal Reserve Bank, Boston.

Deans, H. G. P., Merchants' Loan & Trust Co., Chicago.
Goodwin, Elliot H., Secretary United States Chamber of Commerce, Washington.

Lufkin, E. C., The Texas Co., New York.
McQueen, H. C., Wilmington, N. C.
Nickerson, J. F., Vice President Association of Commerce, Chicago.

Rowe, W. S., President First National Bank, Cincinnati.
Wilson, Dr. W. P., Director Commercial Museum, Philadelphia.

Constantine E. McGuire, Group Secretary.

Data Brought by the Delegates

THE smallest of the Latin American republics is by no means the least populous. The Republic of Salvador occupies a short and narrow strip of the Pacific Coast of Central America. The total railway mileage of the republic aggregates a little over one hundred miles. The country is primarily an agricultural one, the staple export being coffee, which affords about 80 per cent of the total exports. There is also a trade in indigo, sugar, balsam of Peru (of which Salvador has almost a complete monopoly), hides, rubber, and leaf tobacco. At the same time, there has been considerable development in mining industries, particularly gold and silver, the annual output of these two metals amounting to about \$1,500,000.

Although Salvador is 600 square miles smaller than New Jersey, it is, for Central America, densely populated. It is the only one of the Central American republics which does not front on the two oceans; its only coast line is on the Pacific. Although in the tropics, it has an equable climate, owing to the mountainous nature of the country. A railway line connects the principal port, Acajutla, with the capital, San Salvador, a distance of 65 miles. There is a branch line of 25 miles to Santa Ana and also a fine line from the capital to Santa Tecla, 9 miles. A line has also recently been rebuilt and put in operation from Ateos to Santa Ana. The international railway system of Central America, which is intended to connect Salvador with the railway system of Guatemala, is now under construction. When finished it will give Salvador

a direct rail outlet on the Atlantic and should do much to promote the commercial activity of this small but enterprising country.

The memorandum presented by the Salvador delegation as a basis of discussion in the Salvador conference committee concerned itself primarily with practical questions. In order to create or extend commerce, there are certain essentials. The first of these is the creation of profitable markets. It is also necessary that goods should be furnished in good quantity at moderate prices. Acquaintance with markets and conditions required by foreign purchasers can be obtained to best advantage only by personal investigation on the spot. Another essential for the exploitation of any favorable market is adequate transportation, and in Latin America all trade at present can only be developed with due regard to terms of credit and conditions of payment, favorable to the purchaser. At the present time the aggregate foreign trade of Salvador amounts to about \$15,000,000 gold, of which about \$10,000,000 are exports and \$5,000,000 imports. The currency of the country is established on a silver basis, which renders all foreign transactions subject to the fluctuations in value of silver in the international markets. The United States is the most important customer. It also affords the largest source of supply for importations into Salvador. The aggregate trade of the United States with Salvador is more than twice that of Great Britain, and practically three times that of Germany.

A number of other questions were also put forward for the consideration of the group committee on Salvador. Not only a commercial treaty with the United States and the improvement of the currency but also the questions of weights and measures, a uniform postal tariff would have beneficial results. At the present time Salvador, like all European and Latin American countries, has adopted the metric system as its standard of weights and measures. The fact that the United States still adheres to the English system is a constantly recurring source of difficulty and constitutes a hindrance which is not experienced by most European countries in their trade with Central and South America. Of course the reduction of the present international rates of postage on letters and postcards would at first cause a certain loss of revenue. However, in spite of this, it would nevertheless result at the same time in an additional commercial and social bond, drawing the republics of the Americas closer together. In the same way an inter-American parcel post established on a uniform basis would constitute a further facility for increased commercial intercourse between Latin America and the United States. A closing suggestion was made that the Governments of America be recommended to exempt from every tax the merchant ships of the other republics, giving them the same treatment that they give their own ships so as to create an inter-American coastwise trade.

A supplementary memorandum dealing with the effects of the war and the questions suggested by the Secretary of the Treasury, was also presented by the delegation of Salvador. This memorandum showed that imports had fallen off one-seventh with the outbreak of hostilities. As a net result the government resorted to economies and arranged to avail itself of a considerable credit fund. To replace the tax on liquors and certain tariff duties, an income tax

is now under consideration as a permanent source of revenue.

In matters of currency the country is not particularly well off. The supply of coin appears to be insufficient for normal transactions of commerce and crop movement, aggregating only some \$11 per capita, including both circulating coin and credit money. This state of affairs added a point to the suggestion that the monetary unit of the United States be adopted as the legal and uniform currency of Latin America.

Although almost thirty per cent of the total government revenues of Salvador appear now to be required to meet foreign loans contracted in past years, there still seems to be a number of opportunities for further development in the way of municipal and other improvements. But in all matter of trade it is urged that credit terms ranging from 3 to 12 months are necessary, certainly in the beginning, for a more permanent establishment of increased trade with the United States.

Results of Committed Conferences

Nevertheless, the conference committee, in its report, was strongly of the opinion that additional banking capital, as well as money for general development, is extremely necessary and should be accompanied by measures to improve steamship communication and railway facilities. In this connection, the committee urged that any movement to establish American banks in Latin America should take into consideration the advantages which would result from one bank having branches in each of the countries instead of separate banks establishing miscellaneous branches or agencies. Consequently, the committee also suggested the organization of a separate corporation, not for the purpose of receiving deposits, but with power to negotiate for and distribute government loans and the securities issued by the various municipalities for public improvements and extensions of rail and water communication. This corporation should have branches in each of the countries in the same way as the single bank, referred to above, for the purpose of ordinary banking business.

Already the extension of railways is under way, but this movement should be accompanied by the construction of more and better inland highways, so that imports can more cheaply and quickly reach the points of consumption. These facilities should be supplemented by better steamship service for mails, passengers and cargoes. The budget of the republic has already taken into account a sum destined for the possible subvention of steamship lines. The committee also called attention to the lack of any commercial treaty between Salvador and the United States, and was a unit in recommending to the governments of both countries, that such a treaty, containing concessions mutually and equally advantageous, be negotiated with all possible despatch. Friendly commercial relations now suffer somewhat on the part of Salvador, by the lack of any chambers of commerce or commercial organizations to correspond with similar organizations in the United States. The committee pointed out that cooperation between organizations of this kind in both countries would be mutually advantageous, and could supplement the cooperation between banking institutions in establishing reasonable credits, furnishing prompt and reliable credit information, and generally improving and facilitating a better financial and commercial understanding.

Panama

Area, 32,380 square miles; Population, 450,000; Language, Spanish; Capital, Panama; Population, 37,600.



CONFERENCE COMMITTEE.

Chairman.

HON. AUGUSTINE ARJONA.

Official Delegation.

HON. ARISTIDES ARJONA.

HON. RAMON F. ACERYDO.

HON. RAMON ARIAS, JR.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF PANAMA.

Representatives from the United States.

Miller, J. Z., Chairman Federal Reserve Bank, Kansas City.

Clapham, A. G., President Commercial National Bank, Washington.

Coolidge, J., Randolph, Boston.

Crane, Charles R., Chicago.

Howard, A. B., American Express Co., Washington.

Lane, Miles P., President Citizens & Southern National Bank, Savannah.

Norris, George W., Philadelphia.

Reynolds, Hon. James B., National Association of Cotton Manufacturers, Washington.

Wade, F. J., St. Louis.

Walter S. Penfield, Group Secretary.

Data Brought by the Delegation

FROM the close association of the Republic of Panama with the United States, owing to the fact that the Canal Zone cuts this newest of the Latin American republics in two, and owing also to the part which the United

States has consequently taken in the affairs of the little republic, the problems affecting our commercial relations are better known and less difficult than those of other Latin American countries. Nevertheless, the memorandum submitted to the Conference by the Panamanian delegation is an interesting one and reviews conditions which have not been thoroughly appreciated.

For example, in spite of the frequent steamship communication between the United States and Panama, the revenues of the republic have increased 30 per cent since the beginning of the European war. This has been primarily the result of the decrease in imports, as a large part of the revenue is derived from this source. It is, however, also claimed to be due to the decline of local commerce resulting from the establishment of commissaries by the Canal Zone government. In order to meet this shrinking in the revenue temporary taxes have been imposed by law and the ad valorem custom duties have been increased by 20 per cent. The latter increase is subject to the approval of the government of the United States, under the terms of what is known as the Taft Agreement, and the official delegation expressed the opinion that it was a matter of urgent necessity for the government of the United States to approve the increase in order to meet the situation facing the Panamanian Government.

The delegation also brought forward the matter of differential rules established by the Panama Railroad Company. This company, of course, belongs to the Government of the United States, and the delegation very properly brought to the attention of the Conference questions concerning its operation. In regard to the other questions brought forward during the conference, or presented for preliminary consideration before the actual meeting of the delegates, the Panamanian delegation expressed itself in thorough accord with any proposals presented for the general benefit of the republics.

Results of Committee Conferences

The conference committee, in its final report, enlarged upon the operations of the commissaries now established by the Canal Zone Government and recommended the abolition of the present practice of commissaries owned directly or indirectly by the United States in selling to ships

which call at Cristobal, or Balboa, or pass through the Canal, all classes of provisions, supplies, and other articles, excepting coal, oil, water, cold storage and other supplies or services not procurable in the republic of Panama or the Canal Zone, provided, of course, that such a regulation should not apply to ships owned by the United States Government. The committee further urged the abolition of the discriminatory freight rates by sea and land established by the Panama Railroad Company to the detriment of commercial interest of the republic, and also urged permission to use the Canal, subject to Canal regulations and tolls, for merchant ships or other vessels desiring to use it for transportation purposes between the ports of Panama and Colon.

In regard to banking and shipping, the committee earnestly recommended to the Federal Reserve Board the opening of branch banks in all the countries of Central and South America and the general improvement of ocean transportation between all the countries of the Americas, to be accompanied by an extension, and finally by the general use of dollar exchange in all quotations of prices, drafts, etc.

Whatever detriment the republic may temporarily suffer from the commissary stores established in the Canal Zone have been more than offset by the fact of the Canal itself. Of course for many years, since the days of the conquest of Peru, the Isthmus of Panama has always been an international highway between Europe and the East. With the building of the Panama Railroad in the middle of the last century the convenience of the route was more adapted to modern conditions. But Charras fever was a pest which many a merchant and sea captain bore away with him as the only substantial souvenir of his stay in old Panama. Today the new republic faces quite different conditions and a far more promising era of prosperity than ever before. It is now permanently and definitely established as one of the world's greatest and newest highways. The future trade of the Canal lies before it; not only with regard to the countries of South America but also with regard to Australasia and the Far East. Frequent steamship communication with the rest of the world, many and substantial banking facilities and a rich and virgin territory to develop offer prospects of a most encouraging character.

Dominican Republic

Area, 19,325 square miles; Population, 700,000; Language, Spanish; Capital, Santo Domingo; Population, 30,000.



CONFERENCE COMMITTEE.

Chairman.

HON. FRANCISCO J. PEYNAUD.

Official Delegation.

HON. FRANCISCO J. PEYNAUD.

HON. ENRIQUE JIMENEZ.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF THE DOMINICAN REPUBLIC.

Representatives from the United States.

Fancher, E. R., Governor Federal Reserve Bank, Cleveland.

Emerson, Gay, New York.

Falckner, Charles E., President Merchants & Manufacturers' Association, Baltimore.

Hallander, Prof. J. H., John Hopkins University, Baltimore.

Jordan, G. G., Columbus.

Penny, David H. G., Vice President Irving National Bank, New York.

Pepper, Charles M., Washington.

Rhett, R. G., Charleston, S. C.

Saunders, W. L., Ingersoll, Rand Co., New York.

Warfield, Edwin, Baltimore.

G. A. Sherwell, Group Secretary.

Data Brought by the Delegation

THE memorandum setting forth conditions in the Dominican Republic, which served as a basis of discussion for the Conference Committee of that country, opened with a statement that the task of rapidly strengthening the commercial relations between the United States and Latin American countries is, above all, an educational one.

It was pointed out that the war which has closed German and Austrian ports to general commerce has necessarily caused, and for sometime will continue to cause, a tangible increase in American international commerce. However, this increase will only be temporary unless an educational campaign is undertaken which will teach the people of Latin America that, here in the United States, they now produce or are in a position to produce practically all the articles manufactured by Europe.

Unless such a campaign is carried on successfully, it is not to be doubted that, when the war is over and the belligerent countries gradually resume their normal trade operations, trade will return to the channels in which it flowed before

the outbreak of hostilities and for the simple reason that a short experience and the good will of nations are not alone able to destroy ideas or prejudices or practices which have existed for many years. It will also be necessary to convince Latin Americans that they may continue doing for their convenience that which they have had to have recourse to from necessity.

In an international educational campaign one of the most powerful instruments is the postal service. Consequently, the feature emphasized by the Dominican delegation was the appointment of a special committee to study and to propose to all the American governments a project for a Pan American Postal Convention to include the following provisions:

1. That the same rate of postage for letters and printed matter which exists in the domestic mail service of the United States shall be extended to all countries of the Pan American Union.

2. The adoption by all countries of the Pan American Union of the United States regulations with regard to second class mail and rates of postage.

3. The adoption of a uniform system of money orders and parcel post by all countries of the Pan American Union.

4. The institution of a Pan American postal commission, with headquarters in the city of Panama, to serve as a sort of a clearing-house for the postal administrations of all of the Pan American countries.

Results of Committee Conferences

The Conference Committee, in addition to adopting the memorandum submitted by the Dominican delegates, took up a more extended

study of the situation which included questions of public finance, the monetary situation, the extension of inter-American markets, a merchant marine, and improved transportation facilities. It was pointed out that the only market for one of the chief products of the Dominican Republic, namely, tobacco, has been Germany. Since the outbreak of the war the tobacco ordinarily sent to Germany has had to be held in storage. Consequently, the Dominican merchants have been deprived of buying what they used to purchase with the price of their tobacco and this in turn has resulted, of course, in a corresponding decrease of import duties.

The only remedy for this condition is the finding of a new market for Dominican tobacco. Unfortunately, such a market is not available in the United States, because American import duties on tobacco are prohibitive. Dominican tobacco is similar in grade to that of Porto Rico and consequently can only be introduced into this country advantageously under conditions similar to those granted to Porto Rico. It was, therefore, suggested that a reciprocity treaty be negotiated between the United States and the Dominican Republic which would admit tobacco to the United States markets under advantageous conditions and in turn admit some of the prod-

ucts of the United States into the Dominican Republic under similar favorable conditions.

The results of such a reciprocity treaty would, it was claimed, be mutually advantageous, as the Dominicans would necessarily buy in the United States with the price of their tobacco the manufactured articles which they have previously bought in Germany.

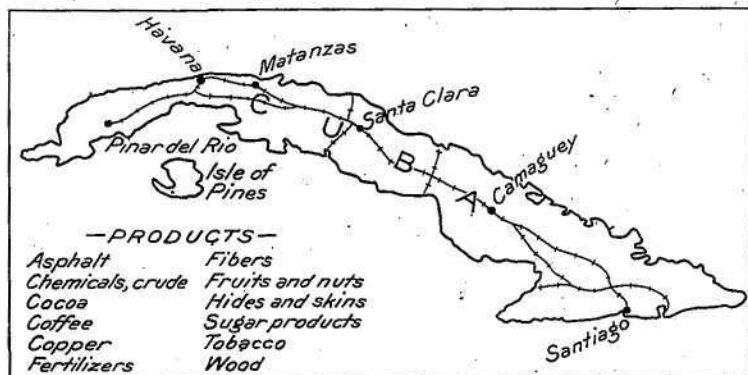
Except that the war has stopped Dominican credits in Germany, it has not seriously affected the monetary condition of the country. Banking conditions in Santo Domingo are somewhat unusual. The two principal banks are the Royal Bank of Canada and the National Bank of Santo Domingo. Neither of these banks issues bills and neither of them gets extensive deposits from the public, owing to the fact that very few people in the island have as yet acquired the habit of depositing their savings. The main banking business at the present time is the discounting of drafts made by exporters upon European and American houses. The Committee pointed out further that there are ample and highly profitable opportunities for the investment of capital in the building of highways, steam railways, electric railways, electric light, gas, and power plants.

Further, an opportunity is open to increase the consumption of American manufacturers by fa-

cilitating the sale of goods on credit in much the same way as has been done hitherto by Germany. The chief essential necessary to render such an extension of credit terms mutually advantageous is for American merchants and bankers to gain the same personal knowledge of Dominican exporters that the Germans acquired. But it was repeatedly urged that the situation of the Dominican Republic, lying as it does between Cuba and Porto Rico, which both enjoy tariff concessions in the United States and are both engaged in sugar and tobacco growing, has necessarily affected trade relations with the United States. The negotiation of a reciprocity treaty between the Dominican Republic and the United States was urged as being worthy of special consideration at this time. If such a treaty were effected, instead of only one line of passenger steamers plying regularly between New York and Dominican ports, making a trip two or three times a month, the growth of trade would necessarily lead to the establishment of additional lines providing regular service. Only a thorough understanding of the general situation as urged by the Committee can permanently bring about the desired results and improve the financial and commercial relations of the two countries.

Cuba

Area, 44,164 square miles; Population, 2,383,000; Language, Spanish; Capital, Havana; Population, 350,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PABLO DESVERNINE Y GALDOS.

Official Delegation.

HON. PABLO DESVERNINE Y GALDOS.

HON. PORFIRIO FRANCA Y ALVAREZ DE LA CAMPA.

HON. OCTAVIO ZAYAS.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF CUBA.

Representatives from the United States.

Miller, Hon. Adolph C. Federal Reserve Board.

Belmont, August, New York.

Brown, F. Q. Redmond & Co., New York.

Conant, Charles A., New York.

Esborg, A. I., New York.

Farquhar, A. B., A. B. Farquhar & Co., New York.

Fuller, Paul, New York.

Harrison, Fairfax, President Southern Railway Company, Washington.

Loeb, Wm., Jr., American Smelting & Refining Co., New York.

Paine, A. G., Jr., President New York & Pennsylvania Co., New York.

Rhodes, Charles J., Governor Federal Reserve Bank, Philadelphia.

C. H. Crennan, Group Secretary.

Data Brought by the Delegation

THE Cuban delegation, in the memorandum it prepared as a basis for discussion in the Conference Committee, pointed out at once that the commercial and financial relations between Cuba and the United States are already of such importance and magnitude, and so very close, that Cuba is not in such great need of bringing about serious changes in its intercourse with this country in the same measure as are the other countries of America.

In illustration of the close relationship of Cuba with the United States, the delegates called attention to the fact that very nearly 81 per cent of the total exports of Cuba are already regularly exported to this country, while approximately 53 per cent of Cuba's imports regularly

come from the United States.

It was suggested that this condition was largely due to the beneficial operation of the Reciprocity Treaty, entered into between the two countries in the year 1903. The fundamental feature of this treaty is the mutual concession which both nations have made to each other in their respective tariffs. At the same time attention was called to the fact that if, under the present tariff law of the United States, all sugars are admitted free of duty, Cuba will no longer hold a preferential position in regard to other sugar-producing countries, and that, consequently, the Treaty will cease to benefit Cuba in its principal export unless some other agreement is enacted by way of compensation for its loss of preference.

Coming to the results of the war, the memorandum indicates that the effect would have been disastrous for Cuba, but for the fact that the absence of the competitive sugars of Germany, France, Russia and other European countries has so advanced the prices of Cuban sugars as in some measure to make up for losses in other branches of trade.

Notwithstanding the cancellation of foreign credits by European bankers, banking conditions in Cuba were not so seriously affected as might have been expected, not only because this cancellation occurred at a time when bank credits are not generally used by local banks in Cuba, but also because, during the fall, credits were extended by New York banks. Another effect of the war which has not been unfavorable, has been such a scarcity of French and Spanish gold as to move the Cuban Congress to pass a law coining gold and silver currency by the Cuban Government to circulate as legal tender. By the new currency law American money is declared legal money in Cuba.

It is interesting to note that, prior to the beginning of the European war, a large part of the banking relations between Cuba and the United States was made by Cuban banks through London, Paris and Hamburg, from which bank credits were obtained and used in Cuba for movement of the crops and for monetary advances to planters. It has been estimated that these credits varied from 8 to 10 million dollars and at times aggregated as much as \$20,000,000. As the European banks cannot now afford to arrange to advance money or grant credit, Cuba has, necessarily, applied to American banks. American banks appear to have responded by granting credits to Cuba against sugar deposited in first-class warehouses or against shipments of sugar to the United States. Once the safety and security of this method of extending credit is assured and American bankers have become accustomed to it, there is no reason why Cuba should again have recourse to the banks of England, France and Germany.

The Cuban delegates, in common with all the others, agreed that the further investment of American capital and a general movement for uniformity of laws affecting trade and commerce, would both materially aid the increase of friendly relations with the United States. As in other Latin American countries, the extension of longer credits by American houses is urged as very necessary and as being a measure which, taken in conjunction with improved postal and banking facilities, will do much to further the purposes had in view in calling the Pan American Financial Conference together.

Results of Committee Conferences

The Conference Committee based its recommendations on the very able survey of Cuban conditions presented by the Cuban delegates in their memorandum. The committee's final report thus included additional recommendations affecting trade relations, as limited by the high duty in this country on Cuban tobacco and the change in the bearing of the Reciprocity Treaty under our latest tariff law; transportation, in which it was suggested that Cuba be made a port of call for steamships plying between North and South America; parcel post established on a basis to allow for the importation of cigars; extension of credits; proper commercial representation on the part of agents and traveling salesmen representing American houses in Cuba; the cooperation of diplomatic and consular officers in both countries in maintaining standards and statistical data; fuller commercial information respecting the two countries; uniformity of commercial laws; and the establishment of some kind of machinery for the arbitration of commercial disputes. The report of the Conference Committee was signed by the Chairman, Dr. Pablo Desvernine y Galdos, Secretary of State of Cuba and formerly Cuban Secretary of the Treasury.

The Principal Addresses

In Summary and Quotation

THE opening session of the conference was marked by an address by the President of the United States, delivered in his happiest vein of eloquence and cordiality. The address was so brief and yet so replete with sympathetic understanding of possibilities of closer relations between the republics of the western hemisphere, that it is given in full:

The President of the United States

"The part that falls to me this morning is a very simple one, but a very delightful one. It is to bid you a very hearty welcome indeed to this conference. The welcome is the more hearty because we are convinced that a conference like this will result in the things that we most desire. I am sure that those who have this conference in charge have already made plain to you its purpose and its spirit. Its purpose is to draw the American Republics together by bonds of common interest and of mutual understanding; and we comprehend, I hope, just what the meaning of that is. There can be no sort of union of interest if there is a purpose of exploitation by any one of the parties to a great conference of this sort. The basis of successful commercial intercourse is common interest, not selfish interest. It is an actual interchange of services and of values; it is based upon reciprocal relations and not selfish relations. It is based upon those things upon which all successful economic intercourse must be based, because selfishness breeds suspicion; suspicion, hostility; and hostility, failure. We are not, therefore, trying to make use of each other, but we are trying to be of use to one another.

"It is very surprising to me, it is even a source of mortification, that a conference like this should have been so long delayed, that it should not have occurred before, that it should have required a crisis of the world to show the Americans how truly they are neighbors to one another. If there is any one happy circumstance, gentlemen, arising out of the present distressing condition of the world, it is that it has revealed us to one another; it has shown us what it means to be neighbors. And I cannot help harboring the hope, the very high hope, that by this commerce of minds with one another, as well as commerce in goods, we may show the world in part the path to peace. It would be a very great thing if the Americans could add to the distinction which they already wear this of showing the way to peace, to permanent peace.

"The way to peace for us, at any rate, is manifest. It is the kind of rivalry which does not involve aggression. It is the knowledge that men can be of the greatest service to one another, and nations of the greatest service to one another, when the jealousy between them is merely a jealousy of excellence, and when the basis of their intercourse is friendship. There is only one way in which we wish to take advantage of you and that is by making better goods, by doing the things that we seek to do for each other better, if we can, than you do them, and so spurring you on, if we might, by so handsome a jealousy as that to excel us. I am so keenly aware that the basis of personal friendship is this competition in excellence, that I am perfectly certain that this is the only basis for the friendship of nations,—this handsome rivalry, this rivalry in which there is no dislike, this rivalry in which there is nothing but the hope of a common elevation in great enterprises which we can undertake in common.

"There is one thing that stands in our way among others—for you are more conversant with the circumstances than I am; the thing I have chiefly in mind is the physical lack of means of communication, the lack of vehicles,—the lack of ships, the lack of established routes of trade,—the lack of those things which are absolutely necessary if we are to have true commercial and intimate commercial relations with one another; and I am perfectly clear in my judgment that if private capital cannot soon enter upon the adventure of establishing these physical means of communication, the government must undertake

to do so. We cannot indefinitely stand apart and need each other for the lack of what can easily be supplied, and if one instrumentality cannot supply it, then another must be found which will supply it. We cannot know each other unless we see each other; we cannot deal with each other unless we communicate with each other. So soon as we communicate and are upon a familiar footing of intercourse, we shall understand one another, and the bonds between the Americas will be such bonds that no influence that the world may produce in the future will ever break them.

"If I am selfish for America, I at least hope that my selfishness is enlightened. The selfishness that hurts the other party is not enlightened selfishness. If I were acting upon a mere ground of selfishness, I would seek to benefit the other party and so tie him to myself; so that even if you were to suspect me of selfishness, I hope you will also suspect me of intelligence and of knowing the only safe way for the establishment of the things which we covet, as well as the establishment of the things we desire.

"I have said these things because they will perhaps enable you to understand how far from formal my welcome to this body is. It is a welcome from the heart, it is a welcome from the head; it is a welcome inspired by what I hope are the highest ambitions of those who live in these two great continents, who seek to set an example to the world in freedom of institutions, freedom of trade, and intelligence of mutual service."

The Secretary of State

The Secretary of State, who followed the President, emphasized the fact that the conference was not an ordinary occasion because, on ordinary occasions, the Secretary of State, as the President's representative in dealing with foreign nations, was accustomed to welcome the visitors. This conference was an epoch-making event, and one deserving that the welcome should be spoken by the President himself, and not by a representative. Mr. Bryan continued:

"I shall content myself with presenting the one thought that has been uppermost in my mind since this idea was presented to our Nation and to the nations assembled here. It is the idea that we are neighbors.

"God in His providence has made these Republics the joint tenants of that wonderful heritage which extends from the St. Lawrence and Puget Sound on the north to Cape Horn on the south. We have taken upon ourselves the responsibility of developing this territory for ourselves and for the world. It is dedicated to a system of government—to the republican form of government. The United States is the parent stem; the branches, extending to the south, have taken root in the soil and are now permanent supports—yes, important parts—of that great tree. Linked together by a unity of political purpose and by a common political ideal these Republics can not but be interested in each other. We are geographically so situated that we must live side by side, and certain expectations are aroused by the very fact that we are neighbors.

"The first is that we shall know each other. Neighbors should become acquainted, and this great meeting must result in an extension of acquaintance which is not only desirable, but necessary. I am sure that the Secretary of the Treasury had in mind this more intimate association; as we know each other better we shall be more and more assured of the good will of each toward the other.

"The next expectation, suggested by the fact that we live side by side, is that of mutual helpfulness. Neighbors must not only know each other and be friends, but neighbors must help each other as opportunity offers. With acquaintance increasing and friendship established, I take it that the principal purpose of this meeting is to find ways in which we may be helpful to each other.

"The President has suggested one, and a very important one, namely, cooperation in the providing of means of communication. He has used

his great influence to secure authority for this Nation to do its part, and I doubt not that his efforts will find a response in the nations here assembled and that in the course of time these nations, by cooperation, will establish lines of communication which will not only be of advantage in ordinary times but will protect our commerce from interruption if at any future time the nations in other parts of the world find themselves unable to settle their disputes by the peaceful methods which we expect to employ."

Dr. Triana for the Latin-Americans

Speaking in turn, in the alphabetical order of their countries, a representative of each delegation replied to the welcome of the President and the Secretary of State. All of these addresses evinced a fine spirit of willingness to cooperate on the part of each country, and an astonishingly keen appreciation of the future possibilities of Pan American solidarity and the significance of the exceptional conditions occasioned by the European war. Eighteen countries voiced such sentiments, through their accredited spokesmen. As it is impracticable to reproduce verbatim what was said, the following passages are quoted from a subsequent address delivered by Mr. Santiago Perez Triana, the eloquent chairman of the delegation from the republic of Colombia, which summarize and suggest the underlying symbolism of the conference. In asserting the essential similarity between the political and social ideals of Latin America and the United States, "freedom through democracy," Mr. Triana awoke a new train of thought as to the future:

"This Conference has been called for the specific purpose of improving financial relations. I take it that that is a means—one of the many means—to a great end. The great end, taking it in a large way, is the welfare and happiness of the peoples of this Continent. That happiness and welfare must be developed on the lines, socially, politically and internationally, that have thus far been followed. We have achieved great success; and those lines are, as far as human vision can go, the true ones and the honest ones. Therefore, there is no reason why they should be changed. Those lines are crystallized in the words, "seeking freedom through democracy." Inasmuch as there is no freedom without justice, that expresses it all. This Conference, therefore, is devoted to freedom and to democracy; and every effort to maintain freedom and democracy on this Continent, like this one for the improvement of financial relationships, comes under that head.

"At various times during the history of this Continent, since the beginning of its political emancipation, it has been found necessary to place on record utterances, or to take steps to emphasize the fact, that the Continent is first and foremost devoted to democracy, and that no interference from outside, in any shape whatever, can or will be tolerated. * * * * *

"That brings me to this conclusion: The hour of watchfulness has only just begun for us now. The danger that I allude to does not lie in the perversity of individual men, or in the perversity of collectivity. It is the growth of circumstances,—circumstances that are deeply rooted in the past centuries; and it will be indispensable for certain systems,—which constitute, as I might call them, the sediment of the history of Europe,—to be eliminated, so as to establish democracy in its fullest meaning, before those circumstances disappear. And they will not disappear easily. They will die hard and die fighting. Therefore we Americans must be prepared to make the inviolability of our Continent stronger each day.

"We have seen by this war in Europe what that inviolability means. We have seen that we are immune from many evils; that we can open our arms and our hands, and help not only the nations of this Continent, but also the nations of Europe, thus fulfilling a great mission. Those are sacred trusts, which we must work out and develop to their fullest capacity.

"And I love my Continent, and my section of it. Moreover, I love the poor of this Continent more than the rich, because they have more

work to do. The more powerful the country among us, the more is its duty to be generous and to decree solemnly that our territory shall not be violated. That will tend to the peace of the Continent. And let it not be thought that I am referring only to the strongest nation, for the microbe of imperialism very soon invades all the organs. This is something very peculiar, and it demonstrates how woefully embryonic is the development of mankind. Your honest man, your sincere man, your Christian man, who will not take the ear of corn from his neighbor's field singlehanded, from the moment he becomes numerous and acquires a collective conscience not only takes the ear of corn, but the field and the life of his neighbor to boot, calling it conquest. Then he presents himself as a hero of patriotism.

"From the high summit of Executive Power it has been declared in this very Conference that it should be honesty, and not convenience, that should guide the policy of nations. We should hold that truth aloft. That is the flag of right."

The Secretary of the Treasury

Secretary McAdoo's reply to the speeches of the foreign delegates not only reviewed the conditions which had suggested to him the calling of the conference, but outlined the plan of proceedings which, by combination of open sessions with group conferences, would bring out the particular conditions and practical problems confronting each of the countries represented. He concluded with an announcement that he would appoint a special committee from the members of the conference to consider the question of obtaining, throughout the Americas, laws of substantial uniformity relating to commerce and finance, particularly in such matters as trademarks and patents, consular invoices, bills of lading, regulation of commercial travelers, admission of samples, and many features of customs laws, uniform monetary standard and bills of exchange. The following passages from his speech are most suggestive:

"It is not from selfish motive or sordid desire for material gain that this conference draws its inspiration. It has a deeper and a finer meaning. We meet for the purpose of considering how and in what manner the great Republics of the Western Hemisphere, representing as they do common ideals of liberty, justice, and self-government, and dedicated as they are to the highest and best interests of humanity, may, through common action and interest, not only conserve their material welfare but become a more homogeneous and powerful moral force for the preservation of peace and the good of humanity."

"We are all anxious to achieve practical results. We do not wish this conference to culminate in mere debate. We of the United States earnestly desire that you shall give to us the most complete and authentic information concerning the financial and economic needs of your respective countries and about every problem which you think we may consider to your and our advantage. We realize that each country has its own distinctive problems; that the problems of one country probably do not relate to those of its neighbors; that such problems may concern governmental of public financing, tariff laws as they affect the United States trade, commercial credits and direct exchange with the United States, ocean transportation, and various other things. Manifestly the specific problems of each country can not be debated with advantage or benefit in the general sessions of the conference. In order, therefore, to give each country the opportunity of discussing its particular problems with the utmost frankness and freedom, we have adopted the plan of dividing the delegates of the United States into 18 committees. One of these committees will be assigned to each of the countries represented in the conference. This will bring about a series of group conferences, where the problems of each country may be discussed with a body of representative bankers and business men, of the United States, who will do their utmost to cooperate in the most effective possible manner with the delegates of the several foreign countries in arriving at tangible and practical results."

The Postmaster General

Commerce and finance go hand in hand, but, in international exchanges, both are much facilitated by that universal handmaid of civilization, the postal service. On this account it became peculiarly appropriate that between the address

of the Secretary of the Treasury and the Secretary of Commerce a few remarks should have been interjected by the Postmaster General. After urging upon the foreign delegates that their respective governments should, as soon as the conclusion of the war afforded some relief to the postal revenues, consider the adoption of a two-cent postage rate for letters throughout the Americas, Mr. Burleson made a very strong plea for the extension of the parcel post and money order service, insisting that proper, frequent and regular steamship transportation was the absolutely essential complement of any adequate mail service. He said:

"You can understand that we can not develop a parcel post service without the assistance of an efficient money-order service. And do you know that at this time there is a money-order convention of the United States with only three Central American countries, and with only four of the great countries of South America?"

"I am not going to name them, but these conventions are not with the great countries of South America but with four of the smaller ones. Now, gentlemen, there is a reason for this. These countries have been given the opportunity, time and time again, to enter these conventions, and the matter has been taken up by the authorities of the United States with each of the directors or controllers of postal affairs of various countries of South and Central America, and the advantages of this service have been pointed out to them. Two of the countries of South America do not even have a domestic system of money orders, but all of them, save these two, have a very efficient domestic system of money orders, and yet, as I tell you, we have a money-order exchange convention with only seven countries of Latin America. One of the reasons why we do not have it is the varying standards by which values are measured, as well as their wide and frequent fluctuations. Before we can have satisfactory money-order conventions between the United States and all the countries of Central and South America, there must be established in this country, in my judgment, a banking facility that will enable us to have exchange in dollars and not in pounds sterling."

"Gentlemen, I have given in brief the outline of the condition of postal affairs as between our country, my country, and the various countries of Central and South America. If fairly satisfactory trade relations are to be established between these various countries, we must have efficient postal service between each and all of them."

"In my opinion, the first thing that must be done is the establishment of proper, frequent, and regular steamship transportation facilities; not for the advantage of the United States, for, in my opinion, this ought to be done in cooperation between the countries of South America and the United States or between the citizens of the countries of South America and the citizens of the United States."

The Secretary of Commerce

The Secretary of Commerce, Mr. Redfield, further emphasized the need of more rapid and frequent transportation between the republics of America, already indicated by Secretary McAdoo and the Postmaster General. After expressing his pleasure at meeting such distinguished representatives, and his hope that the conference might have practical and tangible results, he laid stress on the necessity for more easily available and reliable credit information and transactions and the accompanying urgency for increased banking facilities. Reverting again to the question of transportation, he said:

"The same thing is true in matters of transportation. I suppose no nation has ever paid so great a premium on behalf of its commerce as we have paid in the cost of the Panama Canal. If we are to get the results of that investment, there must be ships under our own control to navigate that canal wherever and as often and of such a character as the needs of our commerce require. This, one might think, is purely a matter for ourselves, but it is not wholly so. It ought to be the case that all of the peoples here represented shall be bound together by ocean transit lines as frequent and as good as those which ply from any land to our common parts."

"Upon these general statements most men will agree, save, perhaps, those whose direct interest

in this subject may lead them to look with normal hesitancy upon a larger competition in their own field of activity. The nations require better means of transportation. More and better ships are necessary to bring your goods to us and ours to you; aye, to bring you here and take us yonder. It is a vital necessity that if America is to be more closely knit together it should be made as easy and as rapid as possible for us to go and for you to come and for our letters and our goods to move frequently and with speed. We are in this country in the humiliating position of doing our foreign trade by the consent of those other peoples who have the ships to carry it. This consent is of course given so long as it is profitable for them to give it. The danger of the situation lies in the fact that our interests may not always be common, and when they diverge they may if they will divert the means whereby our commerce lives. So long as they need the things that we produce and can profit by moving them for us they will of course do it; but if some sterner necessity arose with them they might neither be able nor willing so to do, and then we would suffer. I do not think the people of the United States, when once they realize that it has been by the protection of foreign navies only that we have been able to carry on our foreign commerce in recent months, will be willing long to have it remain so."

The Governor of the Federal Reserve Board

At the second general session, on the morning of May 25th, a most valuable contribution to the general deliberations of the conference was provided by the Governor of the Federal Reserve Bank. Mr. Hamlin not only gave a very clear and terse review of the circumstances of our old banking system which had done so much to hamper our international financial and trade relations, but indicated with equal clearness just how the new system was fashioned to adapt the tremendous financial resources of the country to the growing demands of our foreign and domestic commerce. A few passages from his remarks illustrate some of the points he emphasized:

"Prior to November 16, 1914, when the new Federal reserve banks opened their doors, we had approximately 7,500 banks in the United States chartered by the National Government, and having the sole right to issue notes known as national-bank notes. The capital and surplus of these banks was a little under 2 billions of dollars, and taken in connection with their deposits represented a banking power of over 9 billions of dollars. There were also over 20,000 state banks, trust companies, and savings banks, chartered by the respective States, representing a capital and surplus of a little over 2 billions of dollars, and including deposits, representing a banking power of over 14 billions of dollars."

"These banks, both National and State, were independent and isolated, except as to a limited interdependence of some State institutions through stock ownership. They together constituted over 30,000 individual units, between which in times of financial stress effective cooperation was impossible."

"Under our old system the banks of the United States were in the position of an army entering into action as a disorganized body of individuals, without a single officer and without a single company, battalion, regiment, or brigade."

"That our oft-recurring panics under the old system did not involve more of our banks and their customers in general ruin is one of the wonders of financial science and is a great tribute to the marvelous recuperative powers and unrivaled resources of our people."

"The question remains as to how the Federal reserve act remedies the defects which I have outlined as characteristic of the old system."

"The first fundamental defect of the old system pointed out by me was that each national bank was independent, and that as a result we had 7,500 independent banks and 7,500 scattered reserves, no effective cooperation being possible, nor could the individual reserves even be drawn upon legally by the very banks which owned them."

"This defect is remedied under the Federal reserve act through the capital and reserve deposits placed by each member bank with its reserve bank. These payments constitute a substantial fund—already about 350 millions of dollars, and constantly growing."

This commercial paper offered by the banks for discounting acceptances and for certain open market investments I shall not undertake to enumerate today. Any bank desiring funds can take its commercial paper to the Federal reserve bank and obtain gold or lawful money in exchange. This privilege enables a bank to loan freely in times of commercial stress and to draw down its available resources far below what would have been considered prudent under the old system * * * *

"The Federal reserve act also authorizes national banks, for the first time, to accept bills of exchange growing out of the import and export trade under certain reasonable regulations, and the Federal reserve banks are also authorized to discount such acceptances. This grant of power is a most valuable one and will enable our banks to finance our foreign trade by loaning their credit upon these acceptances. By this grant of power the so-called dollar acceptance is made for the first time possible, and this means much for the future development of our trade, especially with the great nations of Central and South America, and will add much to our ability to assist them in financing their sales to and purchases from the United States.

"The Federal reserve act, however, has done much more to help make possible closer trade relations with foreign countries. The Federal Reserve Board is given power to permit national banks to establish branches in foreign countries, and it is at once apparent what a great assistance this will be, not only to the United States but likewise to the great nations who are trading with the United States, especially those whose delegates are assembled here. Branches of national banks have already been authorized in Argentina, Brazil, Panama, and other countries, and it is confidently expected that a great development in our trade relations with such countries will result.

"The Federal Reserve Board is also authorized to permit the Federal reserve banks to open and maintain banking accounts, appoint correspondents, and establish agencies in foreign countries, for the purpose of purchasing and selling bills of exchange arising out of commercial transactions; these banks are also authorized to deal in gold coin and bullion at home and abroad. It is easy to see what power the Federal Reserve Board, through the Federal reserve banks, will thereby have, in connection with its power over discount rates, over the movement of the precious metals into and from the United States."

A Member of the Federal Reserve Board

Further emphasis on the part which the United States, under the operation of the Federal Reserve System in foreign banking will now be able to play, was made by Mr. Paul M. Warburg, the member of the Federal Reserve Board most expert in all matters pertaining to international banking. He claimed that the day of the opening of our Federal reserve banks will mark the advent of the financial independence of the United States. The great lending country of the world up to the outbreak of the present war has been England. It was England's call upon her creditors to settle their debts, at a time when every one of them was at a disadvantage, which had much to do with the universal embarrassment in banking circles during the first few months of hostilities. Here a clear indication was given that it was worth while for one country to be financially independent of others, or at least to distribute its indebtedness as widely as practicable. The way now lies open for the United States. The establishment of a world discount market cannot be done over night, but here again the Federal Reserve System can now step in and provide resources and facilities hitherto denied to American bankers and merchants. Mr. Warburg's own words seem to convey a very clear idea of how this may be done:

"It may be opportune to point out in this connection that the Federal reserve act gives ample powers for the development of this business, even though these powers may have to be still further enlarged. Member banks may accept, and Federal reserve banks may discount bills arising out of transactions based upon the 'importation or exportation' of goods. The Federal Reserve Board has been advised by its counsel that the words 'importation' and 'exportation,' as used in this connection, need not

be construed as confining these transactions to importations or exportations into or from the United States, but that these transactions may also cover shipments between foreign countries. We shall be in position, therefore, to serve as bankers of our American sister Republics, not only in their trade with us, but even in their trade with others. * * * *

"There is one other signal service that Federal reserve banks can render in this respect; that is, to facilitate the quotation of so-called 'forward discount rates.' A bank in a foreign country, when buying a dollar acceptance, must be assured of the rate at which the bill will be discounted when it reaches our country. On this rate it will largely depend whether the foreign shipper will use his European or his American credit facilities. The Federal reserve banks are fully alive to the importance of this question, and I may state on behalf of some of the largest of these banks that they will be prepared to give the greatest possible assistance by adopting a liberal policy in quoting such forward discount rates, good for a certain date or for delivery upon the arrival of mail by a given steamer."

The Chairman of the Federal Trade Commission

The following passages from an eloquent address by the Chairman of the newly constituted Federal Trade Commission, Mr. Joseph E. Davies, delivered at the fourth general session of the conference, Thursday, May 27th, need little comment as expressing in imagery and aspiration the reflection of the spirit which underlay the practical work of the conference, accomplished in the meetings of the group committees:

"We are of different races and tongues and creeds, but we have this heritage in common: Our ancestors all had the virtue and vigor of the pioneer. They sought betterment for themselves and their children. They came to a new country; they dreamed dreams, and endured hardships for the sake of their dreams. They dedicated the best years of their manhood and all of their interests to create, serve, and perpetuate a government that dedicated to the common good of all men. This service they have rendered to their country and to us, their children. We therefore have in common the hopes and aspirations of our fathers. We have in common bequeathed to us those ideals which Bolivar, Rosas, and San Martin, and the founders of this government fought for and on which the governments under which we live were founded. Our traditions, our purpose, our aspirations, all suggest friendship, mutual trust, mutual helpfulness."

The Director General of the Pan American Union

The concluding address contemplated in the official program was contributed by Mr. John Barrett, the Director General of the Pan American Union, an organization representing the 21 republics of the western hemisphere whose beautiful and imposing headquarters afforded the setting for the conference. In reviewing the growth of inter-American relations in the last few years, Mr. Barrett did not hesitate to quote figures and statistics. Much lack of appreciation of this rapid growth has been due to a corresponding lack of interest. But facts are hard to controvert, and Mr. Barrett's brief summary of matters which have passed under his immediate attention in the last few years, affords much food for reflection on the very positive and steady growth of our relations with Latin America in all branches of trade and knowledge:

"I might go on and mention other facts like these, but I know this will interest the Latin American delegates: Eight years ago, when we investigated the universities and colleges of this country, we found only about 9 or 10 that had any regular courses in Spanish. Now, as a result largely of the efforts of this international organization, 233 universities, colleges, and higher educational institutions have regular courses in the Spanish language.

"In the early part of 1907, in response to a circular letter which we sent out, we found only 25 high schools in the United States that gave any attention to the study of the Spanish language. Our recent record shows over 1,100 high schools in 1,100 different cities and towns of the United States taking up the study of the Spanish American Union received 21 invitations from commercial organizations, chambers of commerce, and societies throughout the country to discuss Latin America. Last year 889 invitations

were received, covering every State and Territory of the United States, and some seven or eight foreign countries. One of our statisticians, who is a very clever man and who watches things closely, informs me that in the month of April the newspapers of the United States gave more space to Latin America in one month than they did in the three years of 1907, 1908 and 1909. [Applause.] He also informs me that the magazines of the United States had more articles in January, February, and March on Latin America than in the five years from 1907 to 1912. Is there any better evidence of the growth of tangible Pan Americanism than that fact? A great book publisher told me the other day that more books relating to Latin America were published in 1914 than in the entire period from 1906 to 1910. These facts, I think, should be borne in mind, especially by the Latin-American delegates, that they may know the growth of interest in this part of the world regarding Latin America. And, correspondingly, I want to say that the number of inquiries which the Pan American Union received in the form of letters and telegrams from all over Latin America about the United States are 500 per cent greater than they were five years ago. That certainly shows a reciprocal attitude that is worth while.

"In the matter of trade in these years the total commerce of Latin America—that is, of these 20 countries from Cuba and Mexico south to Argentina and Chile—has grown from \$1,800,000,000 to nearly \$3,000,000,000, a tremendous increase of over a billion dollars in that period.

"And we find, if we take the commerce of the United States, that in that period the total value of the exchange of products between the United States and these 20 countries has increased from a little less than \$500,000,000 to more than \$800,000,000.

"Let us hope that it may awaken the commercial, the civic and social societies, the universities and colleges; the rank and file of business men, and the people in general of every republic to a realization of the meaning of Pan American solidarity and of the common interests, purposes, and hopes of the republics and peoples of the New World.

"Our records show that during the last seven years over 3,000 men, firms, and companies have recorded themselves in this office as desiring information preparatory to doing business in Latin America, in contrast to less than 300 for the previous period of years before that."

"Let us hope, therefore, that this conference may mark the beginning of a far-reaching Pan American movement among all the Republics of the Western Hemisphere, from the United States on the north to Argentina and Chile on the south."

The Dean of the Diplomatic Corps, the Bolivian Minister

A number of other addresses were included in the general sessions of the conference. To members of the Chamber of Commerce of the United States one of the most interesting was that of the Bolivian Minister, Mr. Calderon. In urging the necessity for various improvements, and speaking in English, he went on to say:

"There is another point, which refers more to the future, which the Bolivian delegation has thought necessary to point out and that it the establishment of an agency, under the supervision of the direction of the Chamber of Commerce of the United States. The Chamber of Commerce of the United States represents almost all the organizations of the country. The different reports presented here will have no effect if there is not a central agency where all necessities could be centralized. In Bolivia, for instance, there is a necessity for the establishment of sanitation, for the construction of sewerage, and for other sorts of public necessities. * * * I do not wish to take any more time of the Conference but I wish to call attention to this subject which seems to be of sufficient importance to be taken into consideration and discussed."

As has been indicated elsewhere the usual and practical feature of the conference lay in the work of the group committees assigned to each country. These committees studied practical problems of trade, finance and transportation. But the general sessions were none the less stimulating and interesting, and the wide range of topics discussed and the exceptionally prominent and distinguished character of the speakers only reflected the actual significance of the conference as a whole.

Organization and Members of the Conference

Presiding Officer, Hon. William G. McAdoo, Secretary of the Treasury of the United States

HONORARY PRESIDENTS

Their Excellencies the Ministers of Finance—

Dr. ENRIQUE CARBO.....Argentina.
Dr. C. ROJAS.....Bolivia.
Dr. SAHINO BARROS.....Brazil.
Dr. ALBERTO EDWARDS.....Chile.
Dr. JORGE VILLAZ.....Colombia.
Dr. MARIANO GUARDIA CANOZA.....Costa Rica.
Dr. LEOPOLDO CANCIO R.....Cuba.
Dr. SALVADOR B. GAUTIER.....Dominican Republic.
Dr. AUGUSTO CABEZAS.....Ecuador.
Dr. GUILLERMO AGUIRRE.....Guatemala.
Dr. GENERAL LEOPOLDO CORROSA.....Honduras.
Dr. PEDRO R. GAMARRA.....Nicaragua.
Dr. ARISTIDES ARJONA.....Panama.
Dr. JERONIMO ZUMARRETA.....Paraguay.
Dr. L. P. VILLALBA.....Peru.
Dr. SAMUEL LUNA.....Salvador.
Dr. PEDRO COSIO.....Uruguay.
Dr. R. CARDENAS.....Venezuela.

VICE PRESIDENTS

Hon. Andrew J. Peters, Assistant Secretary of the Treasury.
Hon. Samuel Hale Pearson, Chairman of Argentina Delegation.
Hon. Ignacio Calderon, Chairman of Bolivia Delegation.
Hon. Dr. Amaro Cavalcanti, Chairman of Brazil Delegation.
Hon. Luis Ignacio, Chairman of Chile Delegation.
Hon. Santiago Perez Trilla, Chairman of Colombia Delegation.
Hon. Mariano Guardia, Chairman of Costa Rica Delegation.
Hon. Dr. Pablo Desvergne y Galdos, Chairman of Cuba Delegation.
Hon. Francisco J. Peynado, Chairman of Dominican Republic Delegation.
Hon. Dr. Juan Cueva Garcia, Chairman of Ecuador Delegation.
Hon. Victor Sanchez Oceana, Chairman of Guatemala Delegation.
Hon. Gen. Leopoldo Cordova, Chairman of Honduras Delegation.
Hon. Pedro Rafael Cuadra, Chairman of Nicaragua Delegation.
Hon. Aristides Arjona, Chairman of Panama Delegation.
Hon. Hector Velazquez, Chairman of Paraguay Delegation.
Hon. Isaac Azamora, Chairman of Peru Delegation.
Hon. Alfonso Quinones, Chairman of Salvador Delegation.
Hon. Pedro Cosio, Chairman of Uruguay Delegation.
Hon. Pedro Rafael Rincones, Chairman of Venezuela Delegation.

Secretary-General, Dr. Leo S. Rowe.
Asst. Secretaries General, W. S. Sands, Basil Mills, J. B. B. Parker, J. S. Gittines, Jr.

Members of the Diplomatic Corps invited to attend the Conference.

Their Excellencies, the Ambassadors of Argentina, Brazil, Chile, and the Ministers of Bolivia, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela.

Representatives of the United States in Attendance at the Conference.

Aerts, G. A., Chamber of Commerce, Cincinnati.
Allen, Frederic W., Lee Higginson & Co., Boston.
Ardrey, J. Howard, Cashier City National Bank, Dallas.
Arnold, J. J., Banker, Chicago.
Austin, R. L., Federal Reserve Bank, Philadelphia.
Babson, Roger W., Boston.
Bancroft, Chas. G., International Trust Co., Boston.
Barratt, John, Director-General Pan-American Union, Belmont, August, New York.
Bippus, W. F., National Cash Register Co., Dayton.
Bixby, William H., American Car Co., St. Louis.
Boyd, L. C., Banker, Indianapolis.
Brand, C. J., Department of Agriculture, Washington.
Brown, F. Q., Redmond & Co., New York.
Brown, James, New York.
Bryan, Hon. Wm. Jennings, Secretary of State.
Burke, John, Treasurer of the United States.
Burlison, Hon. Albert Sidney, Postmaster General.
Butterworth, William, Deere & Co., Moline, Ill.
Calderson, Senor Don Ignacio, Minister of Bolivia.
Chamorro, General Don E., Minister of Nicaragua.
Clausen, John, Crocker National Bank, San Francisco.
Clapham, A. G., Commercial National Bank, Washington.
Conant, Charles A., New York.
Conklin, Franklin, Newark.
Cone, Caesar, Greensboro.
Coolidge, J. Randolph, Architect, Boston.
Cornell, Charles L., Niles-Bement-Pond Co., New York.
Crane, Charles R., Manufacturer, Chicago.
Curtiss, Frederic R., Federal Reserve Bank, Boston.
Davies, Hon. Joseph E., Chairman Federal Trade Commission, Washington.
Davison, Henry P., P. Morgan & Co., New York.
Deans, H. C. P., Manager Foreign Department Merchants' Loan & Trust Co., Chicago.
Defrees, Joseph H., Association of Commerce, Chicago.
Delano, Frederick A., Federal Reserve Board.

De Lancy, William C., Director Bureau of War Risk Insurance, Treasury Department, Washington.
de Lima, E. A., Banker, New York.
de Navarro, Alfonso, Portland Cement Co., New York.
Douglas, William H., Merchant, New York.
Downey, Hon. George E., Comptroller of the Treasury, Duval, G. L., New York.
Eaton, Frederick H., President American Paper & Foundry Co., New York.
Edson, John Jay, Washington Loan & Trust Co., New York.
Edridge, H. R., Vice President National City Bank, New York.
Elliot, Hon. Milton C., Counsel Federal Reserve Board, Washington.
Emerson, Guy, New York.
Erskine, A. R., Studebaker Co. of Indiana.
Esberg, A. L., Wholesale Tobacco, New York.
Fahey, John H., President of the United States Chamber of Commerce, Boston.
Fairchild, Samuel J., New York.
Falconer, Charles E., President Merchant and Manufacturers Association, Baltimore.
Fancher, E. R., Federal Reserve Bank, Cleveland.
Farquhar, A. B., A. B. Farquhar & Co., New York.
Farrell, James A., U. S. Steel Corporation, New York.
Fisher, Edmund D., City Deputy Controller, New York.
Flint, Charles K., New York.
Flood, Hon. Henry D., Member of Congress, Virginia.
Forgan, J. B., President First National Bank, Chicago.
Francis, David R., St. Louis, Mo.
Frederick, Leopold, New York.
Fuerth, Otto H., New York.
Fuller, Paul, New York.
Gallagher, W. T., American National Bank, Washington.
Gary, Elbert H., U. S. Steel Corporation, New York.
Givens, T. H., Farmers' Trust & National Bank, Goldstein, L. S., New Orleans.
Goodhue, F. A., First National Bank, Boston.
Goodwin, E. H., U. S. Chamber of Commerce.
Gorell, Frank E., Secretary National Farmers' Association, Washington.
Grace, Joseph P., New York.
Green, C. A., R. E. Dan & Co., New York.
Grenstad, Hon. N. A., United States Consular Service.
Gregory, Hon. Thomas Watt, Attorney General.
Guggenheim, Daniel, American Smelting Co., New York.
Hamlin, Charles S., Governor Federal Reserve Board.
Hammont, John Hans, Engineer, New York.
Harding, W. P. G., Federal Reserve Board.
Hardy, Caldwell, Banker, Norfolk.
Harper, Robert N., District National Bank, Washington.
Harris, A. M., Harris, Forbes & Co., New York.
Harris, Hon. William J., Commissioner Federal Trade Commission, Washington.
Harrison, Fairfax, President Southern Railway Co., Washington.
Hart, Francis R., Old Colony Trust Co., Boston.
Hastings, S. M., Illinois Manufacturers' Association, Chicago.
Hepburn, A. B., Chase National Bank, New York.
Hollander, Prof. J. E., Johns Hopkins, Baltimore.
Holliday, John H., Union Trust Co., Indianapolis.
Howard, A. B., American Express Company.
Hurley, E. M., Federal Trade Commission, Washington.
Imhoff, C. H., Irving National Bank, New York.
Ingle, William, Federal Reserve Bank, Richmond.
Jaffray, C. T., First National Bank, Minneapolis.
Jay, Pierre, Federal Reserve Bank, New York.
Johnson, Alva B., Baldwin Locomotive Works, Philadelphia.
Johnston, Archibald, Bethlehem Steel Corporation, New York.
Jones, DeW. Clinton, American Dyewood Co., New York.
Jordan, G. G., Banker, Columbus, Ga.
Joy, Benjamin, Shawmut National Bank, Boston.
Keith, Charles A., Keith & Perry, Kansas City.
Kelly, N. B., Chamber of Commerce, Philadelphia.
Kent, Fred L., Bankers Trust Co., New York.
Kies, W. S., National City Bank, New York.
Kiler, Charles A., Champaign, Ill.
Kretz, George H., National Park Bank, New York.
Lane, Miles P., President Citizens & Southern National Bank, Savannah.
Lage, Frederick, Mechanics & Metals Bank, New York.
LeGendre, William C., New York.
Loeb, William Jr., New York.
Lufkin, E. C., The Texas Co., New York.
Lyery, C. A., First National Bank, Chattanooga.
McChord, Joseph A., Federal Reserve Bank, Atlanta.
McCroskey, J. W. J. G. White & Co., New York.
McQueen, H. C., Banker, Wilmington, N. C.
Madrox, Robert F., American National Bank, Atlanta.
Mahana, G. S., Corn Products Refining Co., New York.
Malburn, Wm. P., Washington.
Martin, W. McC., Federal Reserve Bank, St. Louis.
Meeker, Arthur, Armour Grain Company, Chicago.
Mendez, Senor Don J., Minister of Guatemala.
Meredith, E. T., Des Moines, Iowa.
Miller, Hon. Adolph C., Federal Reserve Board.
Miller, J. Z., Jr., Federal Reserve Bank, Kansas City.
Minotto, James, Guaranty Trust Co., New York.
Mitchell, C. D., Chattanooga Bow Co., Chattanooga.
Moore, John H., New York.
Morales, Dr. Don E., Minister of Panama.
Morgan, J. P., 15 Broad Street, New York.
Muelnic, Charles, American Locomotive Co., New York.

Newton, Hon. Byron R., Asst. Secretary of the Treasury.
Nixon, J. E., Chicago, Vice President of Conference.
Norris, George W., Banker, Philadelphia.
Norton, Charles D., First National Bank, New York.
Nunnen, George N., President National Commercial Association, Baltimore.
O'Brien, Hon. Edward C., New York.
O'Brien, Hon. J. Van Vleet, President Pan American States Association, New York.
O'Neil, J. R., President Fulton Foundry Co., St. Louis.
Osborn, William H., Commissioner of Internal Revenue, Washington.
Osborne, Hon. J. E., First Assistant Secretary of State.
Owen, T. Hart, Pittsburgh.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington.
Paine, A. G. Jr., President New York & Puerto Rico Co., New York.
Parker, Walter, Manager Chamber of Commerce, New Orleans.
Perry, William H., Commissioner Federal Trade Commission, Washington.
Pettibon, Robert H., National Foreign Trade Council, New York.
Penfield, Walter S., Lawyer, Washington.
Penny, David H. G., Irving National Bank, New York.
Pepper, Charles M., Washington, D. C.
Perry, Marsden J., Union Trust Co., Providence.
Peters, Hon. A. J., Asst. Sec. of Treasury, Washington.
Petrol, Mr. Frederick A., Minister of Peru, Washington.
Phillips, Hon. William, Third Asst. Secretary of State.
Pierson, Lewis E., Austin Nichols Co., New York.
Poter, W. C., Guaranty Trust Co., New York.
Price, Theodore H., New York.
Reid, Hon. William Cox, Secretary of Commerce.
Reynolds, George M., Commercial & Continental National Bank, Chicago.
Reynolds, James B., National Association of Cotton Manufacturers, Washington.
Rhett, R. G., Banker, Charleston, S. C.
Rhoads, Charles J., Federal Reserve Bank, Philadelphia.
Rice, E. W. Jr., General Electric Co., New York.
Rich, John H., Minneapolis, Minn.
Richards, G. H., Remington Typewriter Co., New York.
Roskoff, John J., Treasurer E. I. du Pont de Nemours & Co., Wilmington, Del.
Russell, John S., Security Trust Co., Wilmington, D. D.
Rovensky, J. E., National Bank of Commerce, New York.
Rowe, W. S., First National Bank, Cincinnati.
Rublee, Hon. George, Commissioner Federal Trade Commission, Washington.
Rue, Levi L., Philadelphia National Bank, Philadelphia.
Ryan, John D., Amalgamated Copper Co., New York.
Rupert, J., Amisack & Co., New York.
Sachs, Samuel, Goldman, Sachs & Co., New York.
Saunders, W. L., Ingersoll, Rand Co., New York.
Schaff, Mortimer L., Kuhn, Loeb & Co., New York.
Schmied, George P., Schmidt & Gallatin, New York.
Schonmacker, S. L., American Locomotive Co., New York.
Seligman, Isaac N., New York.
Shapleigh, A. L., Commercial Club, St. Louis.
Sherrill, Charles H., New York.
Sherry, James J., T. A. Gillespie Co., New York.
Simmons, W. D., Philadelphia.
Smith, James E., Banker, St. Louis.
Speyer, James, New York.
Storrow, James, Lee, Higginson & Co., Boston.
Straight, Willard J., P. Morgan & Co., New York.
Strong, Benjamin Jr., Federal Reserve Bank, New York.
Suberger, G. F., New York.
Sutter, Charles S., Business Men's League, St. Louis.
Swiggett, Dr. G. L., Pan-American Union, Washington.
Tedenstie, A. W., Boston.
Thomas, E. P., U. S. Steel Products Co., New York.
Thompson, Hon. Arthur, Nicaraguan-Mexican Commission, Washington.
Tolby, George P., A. B. Leach & Co., New York.
Townley, Calvert, Westinghouse Co., East Pittsburgh.
Travieso, Hon. Martin, Treasurer of Porto Rico.
Untermeyer, Samuel, Lawyer, New York.
Vanderlip, Frank A., National City Bank, New York.
Wade, F. J., Banker, St. Louis.
Warburg, Hon. Paul M., Federal Reserve Board.
Ward, C. W., Continental Trust Co., Washington.
Warfield, Edwin, Fidelity Trust Co., Baltimore.
Warren, Charles H., Board of Commerce, Detroit.
Wells, Rola, Federal Reserve Bank, St. Louis.
Wexler, Solomon, Whitney-National Bank, New Orleans.
Wharton, Elias Q., Otis Elevator Co., Chicago.
White, J. G., J. G. White & Co., New York.
Whisen, A. H., Chase National Bank, New York.
Williams, Hon. John Skellon, Comptroller of the Currency, Washington.
Williams, R. Lancaster, Middendorf, Williams & Co., Baltimore.
Willis, H. Parker, Federal Reserve Board, Washington.
Wilson, Hon. William Baughop, Secretary of Labor.
Wilson, Dr. W. P., Director Commercial Museum, Philadelphia.
Wing, Daniel G., First National Bank, Boston.
Wood, Edward Randolph, Philadelphia Board of Trade.
Woolley, Robert W., Auditor Interior Department.
Yanes, Francisco J., Assistant Director General Pan-American Union.

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